OCEAN WILSONS

HOLDINGS LIMITED

INTERIM REPORT 2023

About Ocean Wilsons Holdings Limited

Ocean Wilsons Holdings Limited ("Ocean Wilsons" or the "Company") is a Bermuda investment holding company which, through its subsidiaries, holds a portfolio of international investments and operates a maritime services company in Brazil. The Company is listed on both the London Stock Exchange and the Bermuda Stock Exchange.

Principal Activities

The Company's principal activities are the management of a diverse global investment portfolio and the provision of maritime and logistics services in Brazil.

Ocean Wilsons has two operating subsidiaries: Ocean Wilsons (Investments) Limited ("OWIL") and Wilson Sons S.A. ("Wilson Sons") (together with the Company and their subsidiaries, the "Group").

The Company owns 57% of Wilson Sons which is fully consolidated in the financial statements with a 43% non-controlling interest. Wilson Sons is one of the largest providers of maritime services in Brazil with activities including towage, container terminals, offshore oil and gas support services, small vessel construction, logistics and ship agency.

Objective

The Company's objective is to focus on long-term value creation through both the investment portfolio and the investment in Wilson Sons. This longer-term view directs an OWIL investment strategy of a balanced thematic portfolio of funds leveraging our long-standing investment market relationships and through detailed insights and analysis. The Wilson Sons' strategy focuses on providing best in class or innovative solutions in a rapidly growing maritime logistics market.

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Data Highlights

KEY OPERATING DATA *(in US$ millions)*

	6 months ended 30 June 2023	6 months ended 30 June 2022	Change
Revenue	**229.7**	211.0	**+18.7**
Operating profit	**54.7**	54.7	**-**
Investment portfolio net return	**11.2**	(50.5)	**+61.7**
Profit/(loss) after tax	**47.9**	(20.4)	**+68.3**
Net cash inflow from operating activities	**44.3**	24.7	**+19.6**

KEY FINANCIAL POSITION DATA *(in US$ millions)*

	At 30 June 2023	At 31 December 2022	Change
Investment portfolio assets	**299.6**	293.8	**+5.8**
Net assets	**773.9**	754.1	**+19.8**
Net debt	**525.9**	442.3	**+83.6**

SHARE DATA

	6 months ended 30 June 2023	6 months ended 30 June 2022	Change
Proposed/Actual dividend per share (USD)	**70 cents**	70 cents	**-**
Earnings per share (USD)	**86.2 cents**	(98.0) cents	**+184.2 cents**

	At 30 June 2023	At 31 December 2022	Change
Share price discount to net asset value	**56.55%**	50.50%	**+6.05%**
Implied net asset value per share* (GBP)	**22.10**	18.78	**+3.32**
Share price (GBP)	**9.60**	9.30	**+0.30**

*net asset value per share of Ocean Wilsons based on the market value of each operating subsidiary

SECTION **ONE**

Strategic Report

Chair's Statement

Our financial result for the first half of 2023 has improved substantially from the loss for the same period last year. This result is a clear affirmation of both the robust business model at Wilson Sons which is continuing to go from strength-to-strength post Covid, and the longer-term balanced wealth creation strategy of our investment portfolio.

Our financial assets portfolio delivered a US$12.7 million contribution to profit for the period, representing a gross overall return of 4.5% and returning to a positive performance after the challenging prior year comparative period which reported a loss of US$48.9 million. The diversified nature of the portfolio means that when equity markets sharply rise, as they have done this period, it is unlikely our performance will keep up but, similarly, when markets fall our portfolio declines will be less correlated. During the period our core regional funds have been the main driver of returns, while in 2022 the portfolio's defensive and private equity holdings were instrumental in mitigating the decline of global markets. We strongly believe that this is key to delivering on our strategy of long-term value creation and leads to the best outcome for shareholders.

Our operating profit of US$54.7 million for the period is almost entirely due to the performance of Wilson Sons and is identical to the same metric in the prior year period. The result, however, masks some offsetting trends where we saw revenue growth across the major business lines of towage and container terminals and, most notably, the offshore support bases which delivered an operating profit for the first time. The overall 9% growth in revenues was offset by higher operating costs, due almost entirely to the wage and raw materials cost inflation continuing to bite across the world in most sectors. It was very pleasing however to see that, even with these inflationary costs, key operating margins and profits were maintained. We believe this demonstrates both the financial resilience of Wilson Sons, and the success of our strategy of driving revenue growth, continuing to find operating efficiencies and maintaining our focus on innovation and sustainability. As well as our own operating performance, our results are beginning to reflect the increasing stability in Brazil demonstrated by both the relatively low level of inflation compared to the more developed markets in the US and Europe, and the appreciation of the BRL versus the USD.

The Board continues to recognise that there are divergent views among our shareholders regarding our non-correlated asset holdings. We announced on 12 June 2023 that the Board has instigated a strategic review of the Company's investment in Wilson Sons. This review is intended to provide a platform for us to optimise our asset mix, enhance returns, and drive growth in the longer term. We will communicate the findings of this review once completed and we appreciate your patience during this period.

Our healthy financial results for this half-year illustrate our solid business model and our capacity to deliver returns. We remain focused on delivering strong performance from the whole business in the belief that the market will eventually recognise the attractiveness of our investment proposition and the level of dividends we are able to consistently deliver.

Investment Manager’s Report

Portfolio Review

The investment portfolio returned 4.5% over the first six months of 2023. With equity markets performing strongly so far this year, many of the portfolio’s core regional exposures have performed well with this investment silo gaining 9.9%. The thematic exposures saw lower returns of 1.9% and the private equity segment of the portfolio gained 1.3% over the last six months. Private markets normally lag behind the public markets and some of our newer private equity commitments have seen their valuations increase notably.

Market Backdrop

The first half of 2023 was strong for global stock markets with the MSCI ACWI + FM Index gaining 13.9%. Most developed markets performed strongly with the US and Eurozone leading the way as the biggest technology companies saw increased investor interest in artificial intelligence boost their share prices in the US and some large semiconductor companies seeing increases in their share prices driving performance in the Eurozone. This came against a backdrop of moderating inflation in the US and signs that the economy may be more resilient than previously thought. Emerging markets lagged, mainly due to China’s COVID recovery being weaker than expected. Government bond yields slightly declined since year end in most markets with the Global Treasury Index up 0.6%. All major central banks continued to raise interest rates but many started to slow the pace.

Corporate bonds gained as recession fears eased with high yield bonds outperforming their investment grade peers. Commodities declined 7.8% driven by a fall in demand for both crude oil and gas with industrial metals also performing poorly. Gold, however, was up 5.2%, driven mainly by uncertainty in the banking sector early in the year.

Outlook

We continue to execute our strategy of diversification and balance at both the country, asset class and style level. Specifically, bonds have increasingly returned to being a viable asset class and the approach whereby “there is no alternative” to equities is no longer the case. Similarly at the country level, countries other than the US are increasingly attractive as they are both cheaper in valuation and have improving investment stories in many instances. Stylistically, value investing is again becoming attractive having suffered years of underperformance as a low duration asset class. Hence whilst this new backdrop might generate returns that are somewhat lower than those generated by equity markets over the past ten years, we still view them as being attractive.

Cumulative Portfolio Returns

	YTD	2022	3 Years p.a.	5 Years p.a.
Gross return	**4.5%**	-13.8%	7.2%	4.9%
Net return*	**3.9%**	-14.7%	5.5%	3.5%
Performance Benchmark**	**3.7%**	9.5%	8.6%	6.8%
MSCI ACWI + FM NR US$	**13.9%**	-18.4%	11.0%	8.1%
Bloomberg Global Treasury TR US$ (Unhedged)	**0.6%**	-17.5%	-6.3%	-2.1%
MSCI Emerging Markets NR US$	**4.9%**	-20.1%	2.3%	0.9%

* Net of management fees and performance fees. No performance fees were earned in 2023 and 2022.

** The OWIL Performance Benchmark is an absolute benchmark of US CPI Urban Consumers NSA +3% p.a.

Investment Portfolio at 30 June 2023

	Market Value US$000	% of NAV	Primary Focus
Findlay Park American Fund	27,754	9.3	US Equities - Long Only
BlackRock Strategic Equity Hedge Fund	14,299	4.8	Europe Equities - Hedge
Select Equity Offshore, Ltd	11,270	3.8	US Equities - Long Only
BA Beutel Goodman US Value Fund	9,075	3.0	US Equities - Long Only
NG Capital Partners II, LP	7,272	2.4	Private Assets - Latin America
iShares Core MSCI Europe UCITS ETF	6,493	2.2	Europe Equities - Long Only
Schroder ISF Global Recovery	6,204	2.1	Global Equities - Long Only
Pershing Square Holdings Ltd	6,152	2.0	US Equities - Long Only
Schroder ISF Asian Total Return Fund	6,106	2.0	Asia ex-Japan Equities - Long Only
Pangaea II, LP	6,085	2.0	Private Assets - GEM
Top 10 Holdings	**100,710**	**33.6**	
Stepstone Global Partners VI, LP	5,709	1.9	Private Assets - US Venture Capital
Polar Capital Global Insurance Fund	5,394	1.8	Financials Equities - Long Only
Hudson Bay International Fund Ltd	5,385	1.8	Market Neutral - Multi-Strategy
NTAsian Discovery Fund	5,380	1.8	Asia ex-Japan Equities - Long Only
Egerton Long - Short Fund Limited	5,331	1.8	Europe/US Equities - Hedge
Armistice Capital Offshore Fund Ltd	5,250	1.7	US Equities - Hedge
Silver Lake Partners IV, LP	5,059	1.7	Private Assets - Global Technology
Navegar I, LP	5,046	1.7	Private Assets - Asia
iShares Core S&P 500 UCITS ETF	4,863	1.6	US Equities - Long Only
Indus Japan Long Only Fund	4,729	1.6	Japan Equities - Long Only
Top 20 Holdings	**152,856**	**51.0**	
KKR Americas XII, LP	4,609	1.5	Private Assets - North America
GAM Star Fund PLC - Disruptive Growth	4,187	1.4	Technology Equities - Long Only
TA Associates XIII-A, LP	4,141	1.4	Private Assets - Global Growth
Baring Asia Private Equity Fund VII, LP	4,018	1.3	Private Assets - Asia
Global Event Partners Ltd	3,691	1.2	Market Neutral - Event-Driven
Goodhart Partners: Hanjo Fund	3,559	1.2	Japan Equities - Long Only
Reverence Capital Partners Opportunities Fund II	3,502	1.2	Private Assets - Financials
Schroder GAIA BlueTrend	3,477	1.2	Market Neutral - Multi-Strategy
GAM Systematic Core Macro (Cayman) Fund	3,440	1.2	Market Neutral - Multi-Strategy
Silver Lake Partners V, LP	3,420	1.1	Private Assets - Global Technology
Top 30 Holdings	**190,900**	**63.7**	
Remaining Holdings	**108,686**	**36.3**	
Cash and cash equivalents	**61**	**0.02**	
TOTAL	**299,647**	**100.0**	

Wilson Sons' Management Report

Wilson Sons' net revenues of US$229.7 million were 8.9% higher than the six months of 2022 (US$211.0 million), mainly driven by excellent towage results, container terminal operational growth and a strong recovery in offshore energy-linked services.

Towage revenues rose 12.7% year-over-year with higher volume and an increase in average revenue per manoeuvre and special operations. In April, we added a new 91-tonne bollard pull tug to our fleet to serve large iron ore carriers and tankers. In July, the company implemented a new tugboat fleet management system developed in partnership with Argonáutica, a leading provider of digital solutions for the maritime and port sectors, which will allow us to continue seeking operational efficiencies, improving margins and providing better services to customers.

Container terminal revenues increased 5.7% with volumes up 7.1%. The Rio Grande terminal reported an 11.9% increase in overall handling mainly due to higher empty, export, inland navigation, import and transshipment flows. The Salvador terminal registered flat volumes, as the increase in empty, cabotage and export flows was offset by lower imports and transshipment. The completion of the quay reinforcement in August 2023 will support improved service offering in the Salvador terminal through the second half of the year.

Demand for our offshore energy-linked services improved markedly as vessel turnarounds in the offshore support bases increased 68.4% and operating days in the offshore support vessel joint venture rose 17.8% year-over-year.

Overall, the first-half performance demonstrates strong organic growth. We remain positive on the fundamentals of our trade flow-related businesses of towage and container terminals which, together with rebounding demand for our offshore energy-linked services, will provide the basis for a superior performance of our assets. In addition to this positive market environment we are confident our continued focus on security, growing utilisation rate of assets, cost control and disciplined approach to capital allocation will yield results for clients and other stakeholders of the business.

Financial Report

Operating Profit

Operating profit remained unchanged from the 2022 comparative period at US$54.7 million. Overall operating expenses increased 11.8%. Raw material expenses rose 18.2% mainly due to higher fuel consumption and increased operational activity in the towage division. Employee benefit expenses rose 9.0% mainly due to annual inflation-linked adjustments to salary and benefits and payroll tax provisions. Other operating expenses increased 13.4% principally due to increased operating activity and inflation with higher rental costs of tugs from third-party chartering in the towage business, higher container handling costs and increased utilities expenses.

The depreciation and amortisation expense at US$35.7 million was US$4.0 million higher than the comparative period (2022: US$31.7 million) driven by the two new tugs in operation. Foreign currency exchange gains of US$0.6 million (2022: US$2.0 million) arose from the Group's foreign currency monetary items and reflect the movement of the BRL against the USD during the period.

Revenue from Maritime Services

Revenue for the period increased by 8.9% compared to the first half of the prior year to US$229.7 million (2022: US$211.0 million). Revenue growth was generated across all divisions, except for logistics, with higher volume and a better revenue mix in the towage division; higher revenues from handling and ancillary services in the container terminal business; increased operational activity in the offshore support base unit and increased conversions and dry-docking for third parties in the shipyard business. The logistics division saw a decline in revenues of 17.6% reflecting the decline in volumes and rates at both the logistics centre and international logistics businesses.

Operating volumes (to 30 June)	**2023**	2022	% Change
Container Terminals (container movements in TEU '000s)*	**490.5**	458.1	7.1%
Towage (number of harbour manoeuvres performed)	**27,079**	26,746	1.2%
Offshore Vessels (days in operation)	**3,657**	3,104	17.8%

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

Returns on the Investment Portfolio

The gain for the period on the investment portfolio of US$12.7 million (2022: loss of US$48.9 million) comprises unrealised gains of US$10.5 million (2022: loss of US$72.1 million), net investment income of US$0.7 million (2022: US$7.6 million) and realised profits on disposal of US$1.5 million (2022: US$15.6 million).

Share of results of joint ventures and associates

The share of results of joint ventures and associates is Wilson Sons' 50% share of the net results for the period from the offshore support vessel joint ventures and 32.32% share of the net results for the period from the associate Argonáutica. The net profit attributable to Wilson Sons for the period was US$6.0 million (2022: US$0.5million). Average operating days were up 7.2% with the impact of contracts that were signed in 2022 becoming operational. At the end of the period, the joint venture had 22 active vessels (2022: 21 active vessels) of a total fleet of 25 OSVs including two third-party vessels.

Exchange rates

The Group reports in USD and has revenue, costs, assets and liabilities in both BRL and USD. In the six months to 30 June 2023 the BRL appreciated 7.7% against the USD from R$5.22 at 1 January 2023 to R$4.82 at the period end. In the comparative period in 2022 the BRL appreciated 5.9% against the USD from R$5.58 to R$5.25.

Profit/(Loss) before tax

Profit before tax was US$58.3 million compared with the prior period loss of US$9.7 million. This significant increase is driven by the US$12.7 million positive return of the investment portfolio when compared to the US$48.9 million loss in the prior period as well as the improved share of results of joint ventures and associates from US$0.5 million to US$6.0 million.

Taxation

The corporate tax rate in Brazil is 34%. The Group recorded an income tax expense for the period of US$10.4 million (2022: US$10.7 million). The principal items not included in determining taxable profit in Brazil are foreign exchange gains/losses, share of results of joint ventures and associates, and deferred tax items. These are mainly deferred tax charges or credits arising on the retranslation in USD of BRL denominated fixed assets, tax depreciation, foreign exchange variance on borrowings, prior periods accumulated tax losses, and profit on construction contracts.

Profit/(Loss) for the period

After deducting the profit attributable to non-controlling interests of US$17.4 million (2022: US$14.2 million), the profit for the period attributable to equity holders of the Company is US$30.5 million (2022: loss US$34.7 million). The earnings per share for the period was US 86.2 cents (2022: US 98.0 cents loss).

Investment portfolio performance

The investment portfolio and cash under management was US$5.9 million higher at US$299.7 million at 30 June 2023 (31 December 2022: US$293.8 million), after paying dividends of US$5.5 million to the parent company and deducting management and other fees of US$1.6 million.

Cash flow and debt

At 30 June 2023, the Group had cash and cash equivalents of US$14.9 million (30 June 2022: US$12.8 million). Net cash inflow from operating activities for the period was US$44.3 million (2022: US$24.7 million). Purchase of trading investments, net of disposals, were US$30.2 million (2022: net disposal of US$ 29.0 million). Dividends of US$24.8 million were paid to equity holders of the Company in both periods with a further US$12.4 million paid to non-controlling interests in our subsidiaries (2022: US$18.5 million). Group borrowings including lease liabilities at the period end were US$540.7 million (31 December 2022: US$518.1 million). New loans of US$29.0 million were raised in the period (2022: US$20.5 million) while capital repayments on existing loans in the period of US$36.2 million were made (2022: US$24.3 million).

Balance sheet

Equity attributable to equity holders of the Company at the end of the period was US$565.2 million compared with US$554.6 million at 31 December 2022. The main movements in equity for the half year was the profit for the period attributable to equity holders of the Company of US$30.5 million, dividends paid of US$24.8 million and a positive currency translation adjustment of US$5.3 million.

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 2022. A detailed description can be found in the Report of Directors of the 2022 Annual Report and Financial Statements which are available on the Company website at www.oceanwilsons.bm.

The Board notes that there has been no substantive changes to the risk assessment during the reporting period.

Related party transactions

Related party transactions during the period are set out in note 17.

Going concern

The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US$14.9 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 Chair's statement together with the Investment Manager's report and the Wilson Sons report. Details of the Group's borrowings are set out in note 15 to the accounts. Based on the Group's year to date results and cash forecasts, 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.

OWIL

OWIL has no debt but has outstanding commitments of US$55.3 million in respect of investment subscriptions, for which details are provided in note 7. The timing of these investment commitments may be accelerated or delayed in comparison with those indicated in note 7.

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 Wilson Sons and its subsidiaries and their creditors or lenders. Therefore, in the unlikely circumstance that Wilson Sons was to encounter financial difficulty, the parent company and its investment 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 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. 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 satisfied at 30 June 2023.

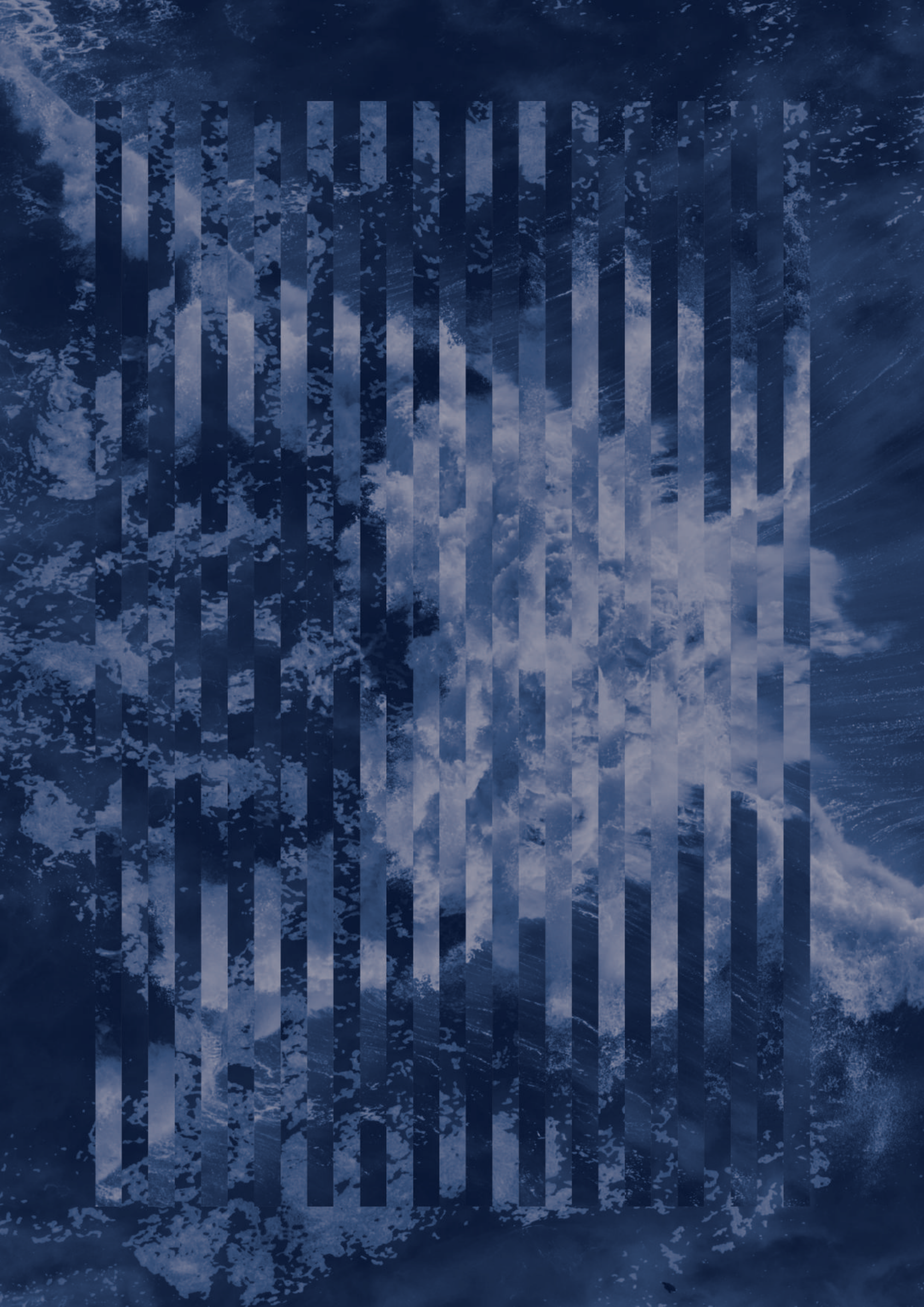
Based on the Board's review of Wilson Sons' going concern assessment and the liquidity and cash flow reviews of the Company and its subsidiary OWIL, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable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

Caroline Foulger
Chair
9 August 2023



SECTION **TWO**

Interim Consolidated Financial Statements

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

	Note	**Unaudited 30 June 2023**	Unaudited 30 June 2022
Sales of services	4	229,663	210,980
Raw materials and consumables used		(17,749)	(15,014)
Employee charges and benefits expense		(67,592)	(62,012)
Other operating expenses		(56,380)	(49,717)
Depreciation of owned assets	10	(27,665)	(23,706)
Depreciation of right-of-use assets	11	(6,943)	(6,805)
Amortisation of intangible assets	12	(1,047)	(1,175)
Gain on disposal of property, plant and equipment and intangible assets		1,716	88
Foreign exchange gains on monetary items		678	2,018
Operating profit		**54,681**	**54,657**
Share of results of joint ventures and associates	9	6,045	529
Return on investment portfolio at fair value through profit or loss	4	12,694	(48,899)
Investment portfolio management fees		(1,477)	(1,626)
Other investment income	4	4,423	3,693
Finance costs	5	(18,059)	(18,070)
Profit/(loss) before tax		**58,307**	**(9,716)**
Tax expense	6	(10,442)	(10,723)
Profit/(loss) for the period		**47,865**	**(20,439)**
Other comprehensive income:			
Items that will be or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		9,426	7,272
Effective portion of changes in fair value of derivatives		–	9
Other comprehensive income for the period		**9,426**	**7,281**
Total comprehensive income/(loss) for the period		**57,291**	**(13,158)**
Profit/(loss) for the period attributable to:			
Equity holders of the Company		30,492	(34,673)
Non-controlling interests		17,373	14,234
		47,865	**(20,439)**
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company		35,813	(30,558)
Non-controlling interests		21,478	17,400
		57,291	**(13,158)**
Earnings per share:			
Basic and diluted	19	86.2c	(98.0)c

The accompanying notes are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

	Note	**Unaudited 30 June 2023**	Audited 31 December 2022
Current assets			
Cash and cash equivalents		14,862	75,724
Financial assets at fair value through profit and loss	7	317,181	275,080
Recoverable taxes		26,399	34,515
Trade and other receivables	8	81,042	67,136
Inventories		16,532	17,579
		456,016	470,034
Non-current assets			
Other trade receivables	8	1,630	1,456
Related party loans receivable	17	13,789	11,176
Other non-current assets	16	3,499	3,506
Recoverable taxes		24,309	15,143
Investment in joint ventures and associates	9	92,805	81,863
Deferred tax assets		22,500	21,969
Property, plant and equipment	10	609,503	589,629
Right-of-use assets	11	193,587	178,699
Other intangible assets	12	13,986	14,392
Goodwill	13	13,608	13,420
		989,216	931,253
Total assets		**1,445,232**	**1,401,287**
Current liabilities			
Trade and other payables	14	(64,196)	(58,337)
Tax liabilities		(9,619)	(10,290)
Lease liabilities	11	(26,859)	(24,728)
Bank loans	15	(51,625)	(59,881)
		(152,299)	(153,236)
Net current assets		**303,717**	**316,798**
Non-current liabilities			
Bank loans	15	(272,666)	(262,010)
Post-employment benefits		(1,973)	(1,737)
Deferred tax liabilities		(46,446)	(49,733)
Provisions for legal claims	16	(8,381)	(8,997)
Lease liabilities	11	(189,597)	(171,448)
		(519,063)	(493,925)
Total liabilities		**(671,362)**	**(647,161)**
Capital and reserves			
Share capital		11,390	11,390
Retained earnings		640,181	634,910
Translation and hedging reserve		(86,372)	(91,692)
Equity attributable to equity holders of the Company		**565,199**	**554,608**
Non-controlling interests		208,671	199,518
Total equity		**773,870**	**754,126**

Signed on behalf of the Board

F. Beck
Director

A. Berzins
Director

The accompanying notes are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

	Share capital	Retained earnings	Hedging and Translation reserve	Attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2022	11,390	678,006	(95,739)	593,657	190,015	783,672
Currency translation adjustment	–	–	4,111	4,111	3,161	7,272
Effective portion of changes in fair value of derivatives	–	–	5	5	4	9
(Loss)/profit for the period	–	(34,673)	–	(34,673)	14,234	(20,439)
Total comprehensive (loss)/income for the period	–	(34,673)	4,116	(30,557)	17,399	(13,158)
Dividends (note 18)	–	(24,754)	–	(24,754)	(18,473)	(43,227)
Equity transactions in subsidiary	–	692	–	692	1,302	1,994
Balance at 30 June 2022	11,390	619,271	(91,623)	539,038	190,243	729,281
Balance at 1 January 2023	**11,390**	**634,910**	**(91,692)**	**554,608**	**199,518**	**754,128**
Currency translation adjustment	–	–	5,320	5,320	4,106	9,426
Profit for the period	–	30,492	–	30,492	17,373	47,865
Total comprehensive income for the period	–	30,492	5,320	35,812	21,479	57,291
Dividends (note 18)	–	(24,754)	–	(24,754)	(12,394)	(37,148)
Equity transactions in subsidiary	–	(467)	–	(467)	68	(399)
Balance at 30 June 2023	**11,390**	**640,181**	**(86,372)**	**565,199**	**208,671**	**773,870**

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.

Equity transactions in subsidiary

Wilson Sons S.A. ("Wilson Sons"), a controlled subsidiary listed on the Novo Mercado exchange, has in place a share option plan and a share buyback plan. During the period ended 30 June 2023, 1,680,600 share options of Wilson Sons were exercised (2022: 2,808,840) and 1,150,500 shares of Wilson Sons were repurchased (2022: 601,400), resulting in a net increase in non-controlling interest of 0.06% (2022: increase of 0.28%).

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

The accompanying notes are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

	Notes	**Unaudited 30 June 2023**	Unaudited 30 June 2022
Operating activities			
Profit/(loss) for the period		47,865	(20,439)
Adjustment for:			
Depreciation & amortisation	10,11,12	35,655	31,686
Gain on disposal of property, plant and equipment and intangible assets		(1,716)	(88)
Share of results of joint ventures and associates	9	(6,045)	(529)
Returns on investment portfolio at fair value through profit or loss	7	(12,694)	48,899
Other investment income	4	(4,423)	(3,693)
Finance costs	5	18,059	18,070
Foreign exchange gains on monetary items		(678)	(2,018)
Share based payment expense		152	173
Tax expense	6	10,442	10,723
Changes in:			
Inventories		1,047	(3,547)
Trade and other receivables	8,17	(16,693)	(14,004)
Other current and non-current assets		(1,043)	(4,629)
Trade and other payables	14	5,188	(10,678)
Provisions for legal claims	16	(616)	499
Taxes paid		(13,681)	(10,848)
Interest paid		(16,495)	(14,872)
Net cash inflow from operating activities		**44,324**	**24,705**
Investing activities			
Income received from trading investments		3,239	9,563
Purchase of trading investments		(42,402)	(59,418)
Proceeds on disposal of trading investments		12,249	88,448
Purchase of property, plant and equipment	10	(31,714)	(27,513)
Proceeds on disposal of property, plant and equipment		1,852	270
Purchase of intangible assets	12	(290)	(575)
Investment in joint ventures and associates	9	(4,986)	(4,937)
Net cash (outflow)/inflow from investing activities		**(62,052)**	**5,838**
Financing activities			
Dividends paid to equity holders of the Company	18	(24,754)	(24,754)
Dividends paid to non-controlling interests in subsidiary		(12,394)	(18,473)
Repayments of borrowings	15	(36,218)	(24,312)
Payments of lease liabilities	11	(4,927)	(4,399)
New bank loans drawn down	15	29,024	20,476
Shares repurchased in subsidiary		(2,338)	(1,005)
Issue of new shares in subsidiary under employee share option plan		1,787	2,826
Net cash used in financing activities		**(49,820)**	**(49,641)**
Net decrease in cash and cash equivalents		**(67,548)**	**(19,098)**
Cash and cash equivalents at the beginning of the period		75,724	28,565
Effect of foreign exchange rate changes		6,686	3,294
Cash and cash equivalents at the end of the period		**14,862**	**12,761**

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

1 General Information

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 incorporated in Bermuda under the Companies Act 1981 and the Ocean Wilsons Holdings Limited Act, 1991. The Company's registered office is Clarendon House, 2 Church Street, Hamilton, Bermuda. These interim consolidated financial statements comprise the Company and its subsidiaries (the "Group").

These interim consolidated financial statements were approved by the Board on 9 August 2023.

2 Significant accounting policies

These interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and follow the same accounting policies disclosed in the 31 December 2022 annual report. These interim consolidated financial statements do not include all the information required in the annual report and should be read in conjunction with the 31 December 2022 annual report.

3 Business and geographical segments

The Group 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. The investment segment holds a diverse global portfolio of international investments with an investment strategy of a balanced thematic portfolio of funds and is a Bermuda based company.

	Brazil - Maritime Services	Bermuda - Investments	Unallocated	Consolidated
Result for the period ended 30 June 2023 (unaudited)				
Sale of services	229,663	-	-	229,663
Net return on investment portfolio at fair value through profit or loss	-	11,217	-	11,217
Profit/(loss) before tax	49,402	11,060	(2,155)	58,307
Tax expense	(10,442)	-	-	(10,442)
Profit/(loss) after tax	38,960	11,060	(2,155)	47,865
Financial position at 30 June 2023 (unaudited)				
Segment assets	1,142,811	299,530	2,891	1,445,232
Segment liabilities	(669,942)	(762)	(658)	(671,362)

	Brazil - Maritime Services	Bermuda - Investments	Unallocated	Consolidated
Result for the period ended 30 June 2022 (unaudited)				
Sale of services	210,980	-	-	210,980
Net return on investment portfolio at fair value through profit or loss	-	(50,525)	-	(50,525)
Profit/(loss) before tax	43,047	(50,740)	(2,023)	(9,716)
Tax expense	(10,723)	-	-	(10,723)
Profit/(loss) after tax	32,324	(50,740)	(2,023)	(20,439)
Financial position at 31 December 2022 (audited)				
Segment assets	1,098,393	293,717	9,177	1,401,287
Segment liabilities	(646,339)	(509)	(313)	(647,161)

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

4 Revenue

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

	Unaudited 30 June 2023	Unaudited 30 June 2022
Sale of services	**229,663**	**210,980**
Net income from underlying investment vehicles	746	7,596
Profit on disposal of financial assets at fair value through profit or loss	1,495	15,618
Unrealised gains/(losses) on financial assets at fair value through profit or loss	10,453	(68,036)
Write down of Russia-focused investments (note 7)	-	(4,077)
Returns on investment portfolio at fair value through profit or loss	**12,694**	**(48,899)**
Interest on bank deposits	2,058	1,720
Other interest	2,365	1,973
Other investment income	**4,423**	**3,693**
Total Revenue	**246,780**	**165,774**

The Group derives its revenue from contracts with customers from the sale of services in its Brazil – Maritime services segment. The revenue from contracts with customers can be disaggregated as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
Harbour manoeuvres	102,935	94,462
Special operations	11,730	7,258
Ship agency	5,230	4,542
Towage and ship agency services	**119,895**	**106,262**
Container handling	39,852	36,250
Warehousing	19,194	21,107
Ancillary services	10,263	9,868
Offshore support bases	8,324	4,504
Other port terminal services	7,898	5,814
Port terminals	**85,531**	**77,543**
Logistics	**19,946**	**24,210**
Shipyard	**3,803**	**2,965**
Other services	**488**	**-**
Total Revenue from contracts with customers	**229,663**	**210,980**

Contract balance

Trade receivables are generally received within 30 days. The net carrying amount of operational trade receivables at the end of the reporting period was US$60.4 million (31 December 2022: US$54.5 million). These amounts include US$17.3 million (31 December 2022: US$12.0 million) of contract assets (unbilled accounts receivables). There were no contract liabilities as of 30 June 2023 (31 December 2022: none).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

4 Revenue (continued)

Performance obligations

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer, and the payment is generally due within 30 days. The disaggregation of revenue from contracts with customers based on the timing of performance obligations is as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
At a point of time	225,860	208,015
Over time	3,803	2,965
Total Revenue from contracts with customers	**229,663**	**210,980**

5 Finance costs

Finance costs are classified as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
Interest on lease liabilities	(8,211)	(7,843)
Interest on bank loans	(9,079)	(9,771)
Exchange loss on foreign currency borrowings	(367)	-
Other interest costs	(402)	(456)
Finance costs	**(18,059)**	**(18,070)**

6 Taxation

At the present time, no income, profit, capital or capital gains taxes are levied in Bermuda and accordingly, no expenses or provisions for such taxes has been recorded by the Group for its Bermuda operations.

Tax expense

The reconciliation of the amounts recognised in profit or loss is as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
Current tax expense		
Brazilian corporation tax	(9,962)	(7,999)
Brazilian social contribution	(3,824)	(3,859)
Total current tax expense	(13,786)	(11,858)
Deferred tax – origination and reversal of timing differences		
Charge for the period in respect of deferred tax liabilities	(7,961)	(7,987)
Credit for the period in respect of deferred tax assets	11,305	9,122
Total deferred tax credit	3,344	1,135
Total tax expense	**(10,442)**	**(10,723)**

Brazilian corporation tax is calculated at 25% (2022: 25%) of the taxable profit for the year. Brazilian social contribution tax is calculated at 9% (2022: 9%) of the taxable profit for the year.

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

7 Financial assets at fair value through profit or loss

The movement in financial assets at fair value through profit or loss is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Opening balance – 1 January	**275,080**	**392,931**
Additions, at cost	42,402	70,864
Disposals, at market value	(12,249)	(128,959)
Increase/(decrease) in fair value of financial assets at fair value through profit or loss	10,453	(79,995)
Write down of Russia-focused investments[1]	–	(4,077)
Profit on disposal of financial assets at fair value through profit or loss	1,495	24,316
Closing balance	**317,181**	**275,080**
Bermuda – Investments segment	299,585	272,931
Brazil – Maritime services segment	17,596	2,149

[1] During the period ended 30 June 2022, the Company wrote down the full value of its investment in Prosperity Quest Fund, a Russia-focused equity fund held within the investments segment portfolio, following the issue of an investor notice announcing the suspension of its net asset valuation, subscriptions and redemptions. At 30 June 2023, the suspension is still in effect and the book value of the investment is nil.

Bermuda – Investments segment

The financial assets at fair value through profit or loss held in this segment represent investments in listed equity securities, funds and unquoted equities that present the Group with opportunity for return through dividend income and capital appreciation.

At the end of the reporting period, the Group had entered into commitment agreements with respect to the investment portfolio for capital subscriptions. The classification of those commitments based on their expiry date is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Within one year	9,295	5,951
In the second to fifth year inclusive	4,417	2,346
After five years	41,552	42,129
Total	**55,264**	**50,426**

Brazil – Maritime Services segment

The financial assets at fair value through profit or loss held in this segment are held and managed separately from the Bermuda – Investments segment portfolio and consist of depository notes, an investment fund and an exchange fund both privately managed.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

8 Trade and other receivables

Trade and other receivables are classified as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Non-current		
Other trade receivables	1,630	1,456
Total other trade receivables	**1,630**	**1,456**
Current		
Trade receivable for the sale of services	44,931	43,293
Unbilled trade receivables	17,265	12,036
Total gross current trade receivables	62,196	55,329
Allowance for expected credit loss	(1,788)	(792)
Total current trade receivables	**60,408**	**54,537**
Prepayments	11,580	4,887
Insurance claim receivable	2,940	981
Employee advances	3,232	1,449
Proceed receivable from disposal of financial instruments	61	2,181
Other receivables	2,821	3,101
Total other current receivables	**20,634**	**12,599**
Total trade and other receivables	**81,042**	**67,136**

The aging of the trade receivables is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Current	50,235	44,699
From 0 – 30 days	5,259	5,997
From 31 – 90 days	4,218	2,461
From 91 – 180 days	592	1,236
More than 180 days	1,892	936
Total gross trade receivables	**62,196**	**55,329**

The movement in allowance for expected credit loss is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Opening balance – 1 January	**(792)**	**(338)**
Increase in allowance recognised in profit or loss	(879)	(419)
Exchange differences	(117)	(35)
Closing balance	**(1,788)**	**(792)**

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

9 Joint ventures and associates

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

		Proportion of ownership	
	Place of incorporation and operation	**Unaudited 30 June 2023**	Unaudited 30 June 2022
JOINT VENTURES			
Logistics			
Porto Campinas, Logística e Intermodal Ltda	Brazil	50%	50%
Offshore			
Wilson, Sons Ultratug Participações S.A.	Brazil	50%	50%
Atlantic Offshore S.A.	Panamá	50%	50%
ASSOCIATES			
Argonáutica Engenharia e Pesquisas S.A.	Brazil	32.32%	-

The aggregated Group's interests in joint ventures and associates are equity accounted. The financial information of the joint ventures and associates and reconciliations to the share of result of joint ventures and associates and the investment in joint ventures and associates recognised for the period are as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
Sales of services	106,209	77,097
Operating expenses	(64,981)	(39,143)
Depreciation and amortisation	(25,363)	(31,499)
Foreign exchange gains on monetary items	6,245	6,274
Results from operating activities	22,110	12,729
Finance income	725	2,409
Finance costs	(5,533)	(9,245)
Profit before tax	17,302	5,893
Tax expense	(5,165)	(4,835)
Profit for the period	**12,137**	**1,058**
Total profit for the period – joint ventures	12,004	1,058
Participation	50%	50%
Share of profit for the period for joint ventures	6,002	529
Total profit for the period – associates	133	-
Participation	32.32%	-
Share of profit for the period for associates	43	-
Share of result of joint ventures and associates	**6,045**	**529**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

9 Joint ventures and associates (continued)

	Unaudited 30 June 2023	Audited 31 December 2022
Cash and cash equivalents	17,439	5,747
Other current assets	56,171	51,260
Non-current assets	536,503	551,921
Total assets	610,113	608,928
Trade and other payables	(25,283)	(46,506)
Other current liabilities	(54,304)	(56,833)
Non-current liabilities	(328,656)	(324,012)
Total liabilities	(408,243)	(427,351)
Total net assets	**201,870**	**181,577**
Total net assets – joint ventures	200,738	180,079
Participation	50%	50%
Group's share of net assets – joint ventures	100,369	90,040
Total net assets – associates	1,132	1,498
Participation	32.32%	32.32%
Group's share of net assets – associates	366	484
Goodwill and surplus generated on associate purchase	1,607	1,711
Cumulative elimination of profit on construction contracts	(9,537)	(10,372)
Investment in joint ventures and associates	**92,805**	**81,863**

The movement in investment in joint ventures and associates is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Opening balance – 1 January	**81,863**	**61,553**
Share of result of joint ventures and associates	6,045	3,165
Capital increase	4,986	17,016
Elimination of profit on construction contracts	(167)	(158)
Purchase price adjustment and surplus amortisation on associate purchase	(195)	159
Translation reserve	273	128
Closing balance	**92,805**	**81,863**

Change in capital

Guarantees

Wilson, Sons Ultratug Participações S.A. has loans with the Brazilian Development Bank guaranteed by a lien on the financed supply vessel and by a corporate guarantee from its participants, proportionate to their ownership. The Group's subsidiary Wilson Sons Holdings Brasil Ltda. is guaranteeing US$159.3 million (31 December 2022: US$163.7 million).

Wilson, Sons Ultratug Participações S.A. has a loan with Banco do Brasil guaranteed by a pledge on the financed offshore support vessels, a letter of credit issued by Banco de Crédito e Inversiones and its long-term contracts with Petrobras. The joint venture has to maintain a cash reserve account until full repayment of the loan agreement amounting to US$1.7 million (31 December 2022: US$1.7 million) presented as long-term investment.

Covenants

On 30 June 2023 and 31 December 2022, Wilson Sons Ultratug Participações S.A. was not in compliance with one of its covenants' ratios with Banco do Brasil, resulting in a required increase in capital within a year of US$5.0 million (31 December 2022: US$1.8 million). As the capital will be increased to that amount within a year, management will not negotiate a waiver letter from Banco do Brasil. There are no other capital commitments for the joint ventures and associates as of 30 June 2023 (31 December 2022: none).

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

10 Property, plant and equipment

Property, plant and equipment are classified as follows:

	Land and buildings	Floating Craft	Vehicles, plant and equipment	Assets under construction	**Total**
Cost					
At 1 January 2022	274,683	541,252	198,464	9,581	1,023,980
Additions	10,835	15,493	9,936	27,004	63,268
Transfers	(112)	24,623	(2,317)	(22,194)	-
Transfers to intangible assets	-	-	(60)	-	(60)
Disposals	(1,955)	(4,477)	(4,892)	-	(11,324)
Exchange differences	11,084	-	10,854	-	21,938
At 1 January 2023	**294,535**	**576,891**	**211,985**	**14,391**	**1,097,802**
Additions	6,060	5,879	7,030	12,745	31,714
Transfers	(123)	11,823	(1,323)	(10,377)	-
Transfers from intangible assets	25	-	8	-	33
Disposals	(506)	(44)	(939)	-	(1,489)
Exchange differences	15,085	-	14,445	-	29,530
At 30 June 2023	**315,076**	**594,549**	**231,206**	**16,759**	**1,157,590**
Accumulated depreciation					
At 1 January 2022	82,651	264,836	113,438	-	460,925
Charge for the period	8,518	27,831	12,124	-	48,473
Elimination on construction contracts	-	87	-	-	87
Disposals	(1,645)	(4,426)	(4,609)	-	(10,680)
Exchange differences	3,644	-	5,724	-	9,368
At 1 January 2023	**93,168**	**288,328**	**126,677**	**-**	**508,173**
Charge for the period	4,578	16,638	6,449	-	27,665
Disposals	(403)	(40)	(908)	-	(1,351)
Exchange differences	5,280	-	8,320	-	13,600
At 30 June 2023	**102,623**	**304,926**	**140,538**	**-**	**548,087**
Carrying Amount					
At 31 December 2022 (audited)	201,367	288,563	85,308	14,391	589,629
At 30 June 2023 (unaudited)	**212,453**	**289,623**	**90,668**	**16,759**	**609,503**

Land and buildings with a net book value of US$0.2 million (31 December 2022: US$0.2 million) and plant and equipment with a carrying value of US$0.1 million (31 December 2022: US$0.1 million) have been given in guarantee for various legal processes.

The Group has pledged assets with a carrying value of US$252.9 million (31 December 2022: US$230.2 million) to secure loans granted to the Group.

The amount of borrowing costs capitalised in the period ending 30 June 2023 was US$0.1 million at an average interest rate of 5.4%. No borrowing costs were capitalised for the period ended 30 June 2022.

The Group has contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$19.6 million (31 December 2022: US$19.9 million).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

11 Lease arrangements

Right-of-use assets

Right-of-use assets are classified as follows:

	Operational facilities	Floating Craft	Buildings	Vehicles, plant and equipment	Total
Cost					
At 1 January 2022	167,118	13,077	5,388	8,846	194,429
Additions	-	3,018	1,305	899	5,222
Contractual amendments	17,901	5,793	63	117	23,874
Terminated contracts	-	(2,796)	(3,771)	(58)	(6,625)
Exchange differences	10,313	510	96	328	11,247
At 1 January 2023	**195,332**	**19,602**	**3,081**	**10,132**	**228,147**
Additions	8,648	-	82	(113)	8,617
Contractual amendments	83	-	61	43	187
Terminated contracts	-	-	(326)	(4)	(330)
Exchange differences	15,793	753	232	440	17,218
At 30 June 2023	**219,856**	**20,355**	**3,130**	**10,498**	**253,839**
Accumulated depreciation					
At 1 January 2022	18,298	8,194	2,960	7,108	36,560
Charge for the period	8,244	4,825	912	916	14,897
Terminated contracts	-	(1,226)	(2,424)	(44)	(3,694)
Exchange differences	1,104	242	63	276	1,685
At 1 January 2023	**27,646**	**12,035**	**1,511**	**8,256**	**49,448**
Charge for the period	4,371	2,487	271	501	7,630
Terminated contracts	-	-	(290)	(3)	(293)
Exchange differences	2,379	508	202	378	3,467
At 30 June 2023	**34,396**	**15,030**	**1,694**	**9,132**	**60,252**
Carrying Amount					
At 31 December 2022 (audited)	167,686	7,567	1,570	1,876	178,699
At 30 June 2023 (unaudited)	**185,460**	**5,325**	**1,436**	**1,366**	**193,587**

Lease liabilities

Lease liabilities are classified as follows:

	Average discount rate	**Unaudited 30 June 2023**	Average discount rate	Audited 31 December 2022
Operational facilities	8.52%	(207,004)	8.55%	(184,591)
Floating craft	9.60%	(5,723)	9.60%	(7,605)
Buildings	11.10%	(2,221)	9.75%	(2,121)
Vehicles, plant and equipment	15.27%	(1,509)	12.12%	(1,859)
Total lease liabilities		**(216,457)**		**(196,176)**
Total current lease liabilities		(26,859)		(24,728)
Total non-current lease liabilities		(189,597)		(171,448)

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

The contractual undiscounted cash flows related to leases liabilities are as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Within one year	(28,159)	(25,958)
In the second year	(24,043)	(23,101)
In the third to fifth years inclusive	(61,913)	(56,682)
After five years	(393,235)	(355,360)
Total cash flows	**(507,350)**	**(461,101)**
Adjustment to present value	290,894	264,925
Total lease liabilities	**(216,456)**	**(196,176)**

12 Other intangible assets

Other intangible assets are classified as follows:

	Computer Software	Concession-rights	**Total**
Cost			
At 1 January 2022	40,968	15,501	56,469
Additions	1,386	-	1,386
Transfers from right-of-use	60	-	60
Disposals	(1,105)	-	(1,105)
Exchange differences	560	277	837
At 1 January 2023	**41,869**	**15,778**	**57,647**
Additions	290	-	290
Transfers from property, plant and equipment	(33)	-	(33)
Disposals	(28)	-	(28)
Exchange differences	775	381	1,156
At 30 June 2023	**42,873**	**16,159**	**59,032**
Accumulated amortisation			
At 1 January 2022	35,540	5,948	41,488
Charge for the period	1,965	424	2,389
Disposals	(1,105)	-	(1,105)
Exchange differences	381	102	483
At 1 January 2023	**36,781**	**6,474**	**43,255**
Charge for the period	834	213	1,047
Disposals	(28)	-	(28)
Exchange differences	603	169	772
At 30 June 2023	**38,190**	**6,856**	**45,046**
Carrying Amount			
At 31 December 2022 (audited)	5,088	9,304	14,392
At 30 June 2023 (unaudited)	**4,683**	**9,303**	**13,986**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

13 Goodwill

Goodwill is classified as follows:

	Tecon Rio Grande	Tecon Salvador	**Total**
Carrying Value			
At 1 January 2022	10,792	2,480	13,272
Exchange differences	148	-	148
At 1 January 2023	**10,940**	**2,480**	**13,420**
Exchange differences	188	-	188
At 30 June 2023	**11,128**	**2,480**	**13,608**

The goodwill associated with each cash-generating unit "CGU" (Tecon Rio Grande and Tecon Salvador) is attributed to the Brazil - Maritime Services segment.

14 Trade and other payables

Trade and other payables are classified as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Trade payables	(28,779)	(25,583)
Accruals	(10,753)	(8,550)
Other payables	(193)	(479)
Provisions for employee benefits	(20,347)	(21,365)
Deferred income	(4,124)	(2,360)
Total trade and other payables	**(64,196)**	**(58,337)**

15 Bank loans

The movement in bank loans is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Opening balance – 1 January	**(321,891)**	**(301,599)**
Additions	(29,024)	(59,793)
Principal amortisation	36,218	49,349
Interest amortisation	7,112	13,333
Accrued interest	(9,229)	(17,437)
Exchange difference	(7,477)	(5,744)
Closing balance	**(324,291)**	**(321,891)**

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

The breakdown of bank loans by maturity is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Within one year	(51,625)	(59,881)
In the second year	(70,822)	(56,022)
In the third to fifth years (inclusive)	(89,335)	(91,037)
After five years	(112,509)	(114,951)
Total bank loans	**(324,291)**	**(321,891)**

Guarantees

A portion of the loan agreements relies on corporate guarantees from the Group's subsidiary party to the agreement. 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 (note 10).

Covenants

Some of the loan agreements include obligations related to financial indicators, including Net Debt/EBITDA, PL/Total Debt, current liquidity ratio and debt service coverage ratio. At 30 June 2023 and 31 December 2022, the Group was in compliance with all covenants related to its loan agreements.

16 Legal claims

In the normal course of its operations in Brazil, the Group is exposed to numerous local legal claims. The Group's policy is to vigorously contest those claims, many of which appear to have little substance or merit, and manage such claims through its legal counsel.

The movement in the carrying amount of each class of provision for legal claims for the period is as follows:

	Labour claims	Tax cases	Civil and environmental cases	**Total**
At 1 January 2023	**(4,978)**	**(2,732)**	**(1,287)**	**(8,997)**
Additional provisions	(424)	(1,512)	(263)	(2,199)
Unused amounts reversed	1,408	159	468	2,035
Utilisation of provisions	520	4	30	554
Exchange difference	(1,421)	2,062	(415)	226
At 30 June 2023	**(4,895)**	**(2,019)**	**(1,467)**	**(8,381)**

The contingent liabilities at the end of each period are as follows:

	Labour claims	Tax cases	Civil and environmental cases	**Total**
At 31 December 2022	(6,002)	(66,071)	(11,158)	(83,231)
At 30 June 2023	**(6,561)**	**(72,172)**	**(12,392)**	**(91,125)**

Other non-current assets of US$3.5 million (31 December 2022: US$3.5 million) represent legal deposits required by the Brazilian legal authorities as security to contest legal actions.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

17 Related party transactions

Transactions between the Group and its subsidiaries which are related parties have been eliminated on consolidation and are not disclosed in this note. Transactions and outstanding balances between the Group and its related parties are as follows:

	Revenues/(Expenses)		Receivable/(Payable)	
	Unaudited 30 June 2023	Unaudited 30 June 2022	**Unaudited 30 June 2023**	Audited 31 December 2022
Joint arrangements				
Wilson, Sons Ultratug Participações S.A.[1]	602	1,729	13,772	11,176
Porto Campinas, Logística e Intermodal Ltda[2]	–	–	18	–
Others				
Hanseatic Asset Management LBG[3]	(1,477)	(1,626)	(496)	(484)
Hansa Capital Partners[4]	(30)	(32)	–	–
Gouvêa Vieira Advogados[5]	–	(17)	–	–

1. Related party loans (interest – 3.6% per year with no maturity date) and advance for future capital increase.
2. Advance for future capital increase.
3. Mr. W Salomon (Deputy Chair of the Company) is chairman and Mr. C Townsend (Director of the Company) is a director of Hanseatic Asset Management LBG. Fees were paid to Hanseatic Asset Management LBG for acting as Investment Manager of the Group's investment portfolio.
4. Mr. W Salomon is a partner of Hansa Capital Partners. Office facilities charges were paid to Hansa Capital Partners.
5. Mr. J F Gouvêa Vieira (Director of Wilson Sons) is a partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.

Mr. C Townsend is a Director of Hansa Capital GmbH. During the period ended 30 June 2023, directors' fees of US$0.05 million were paid to Mr. C Townsend through Hansa Capital GmbH (2022: US$0.04 million).

Remuneration of key management personnel

The remuneration of the executives and other key management of the Group is as follows:

	Unaudited 30 June 2023	Unaudited 30 June 2022
Short-term employee benefits	(2,459)	(2,445)
Post-employment benefits	(35)	(35)
Share based payment expense	(153)	(153)
Total remuneration of key management	**(2,647)**	**(2,633)**

18 Dividends

The following dividends were declared and paid by the Company:

	Unaudited 30 June 2023	Unaudited 30 June 2022
70c per share (2021: 70c per share)	24,754	24,754

(Unaudited) For the 6 months ended 30 June 2023 - (Expressed in thousands of US Dollars)

19 Earnings per share

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

	Unaudited 30 June 2023	Unaudited 30 June 2022
Profit/(loss) for the period attributable to equity holders of the Company	30,492	(34,673)
Weighted average number of ordinary shares	35,363,040	35,363,040
Earnings per share – basic and diluted	86.2c	(98.0)c

The Company has no dilutive or potentially dilutive ordinary shares.

20 Financial instruments

The carrying value and fair value of financial instruments is as follows:

	Unaudited 30 June 2023		Audited 31 December 2022	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	14,862	14,862	75,724	75,724
Financial assets at fair value through profit and loss	317,181	317,181	275,080	275,080
Trade and other receivables	81,042	81,042	67,136	67,136
Financial liabilities				
Trade and other payables	(64,196)	(64,196)	(58,337)	(58,337)
Bank loans	(324,291)	(324,263)	(321,891)	(322,058)

The carrying value of trade and other receivables, cash and cash equivalents and trade and other payable is a reasonable approximation of fair value.

The fair value of bank loans was established as their present value determined by future cash flows and interest rates applicable to instruments of similar nature, terms and risks or at market quotations of these securities.

The fair value of financial assets at fair value through profit and loss are based on quoted market prices at the close of trading at the end of the period if traded in active markets and based on valuation techniques if not traded in active markets.

Fair value measurements recognised in the consolidated financial statements are grouped into levels based on the degree to which the fair value is observable.

Financial instruments whose values are based on quoted market prices in active markets are classified as Level 1. These include active listed equities.

Financial instruments that trade in markets that are not considered active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2. These include certain private investments that are traded over the counter and debt instruments.

Financial instruments that have significant unobservable inputs as they trade infrequently and are not quoted in an active market are classified as Level 3. These include investments in limited partnerships and other private equity funds which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) For the 6 months ended 30 June 2023 - *(Expressed in thousands of US Dollars)*

20 Financial instruments (continued)

Valuations are the responsibility of the Board of Directors of the Company. The Group's Investment Manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing to ensure they are reasonable and appropriate. Therefore, the net asset value ("NAV") of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, if necessary, for other relevant factors known of the fund. In measuring fair value, consideration is also paid to any clearly identifiable transactions in the shares of the fund.

Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Group classifies these funds as either Level 2 or Level 3. As observable prices are not available for these securities, the Group values these based on an estimate of their fair value. The Group obtains the fair value of their holdings from valuation statements provided by the managers of the invested funds. Where the valuation statement is not stated at the reporting date, the Group adjusts the most recently available valuation for any capital transactions made up to the reporting date. When considering whether the NAV of the underlying managed funds represent fair value, the Investment Manager considers the valuation techniques and inputs used by the managed funds in determining their NAV.

The following table provides an analysis of financial instruments recognised in the statement of financial position by the level of hierarchy, excluding financial instruments for which the carrying amount is a reasonable approximation of fair value:

	Level 1	Level 2	Level 3	**Total**
30 June 2023 (unaudited)				
Financial assets at fair value through profit and loss	48,671	145,368	123,142	317,181
Bank loans	-	(324,291)	-	(324,291)
31 December 2022 (audited)				
Financial assets at fair value through profit and loss	31,925	122,789	120,366	275,080
Bank loans	-	(321,891)	-	(321,891)

During the period ended 30 June 2023, no financial instruments were transferred between Level 1 and Level 2 (2022: none). The movement in Level 3 financial instruments is as follows:

	Unaudited 30 June 2023	Audited 31 December 2022
Opening balance – 1 January	**120,366**	**129,685**
Purchases of investments and drawdowns of financial commitments	4,818	12,830
Sales of investments and repayments of capital	(3,081)	(9,231)
Realised gains	1,477	4,526
Unrealised losses	(438)	(17,444)
Closing balance	**123,142**	**120,366**
Cost	133,397	130,183
Cumulative unrealised losses	(10,255)	(9,816)

Investments in private equity funds require a long-term commitment with no certainty of return. The Group's intention is to hold Level 3 investments to maturity. In the unlikely event that the Group is required to liquidate these investments, the proceeds received may be less than the carrying value due to their illiquid nature.

The following table summarises the sensitivity of the Company's Level 3 investments to changes in fair value due to illiquidity:

	Unaudited 30 June 2023	Audited 31 December 2022
5% scenario	(6,157)	(6,018)
10% scenario	(12,314)	(12,037)
20% scenario	(24,628)	(24,073)

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