

OCEAN WILSONS

HOLDINGS LIMITED

20
22

INTERIM REPORT

About Ocean Wilsons Holdings Limited

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

It has two principal subsidiaries: Ocean Wilsons (Investments) Limited (“OWIL”) and Wilson Sons Holdings Brasil S.A. (“Wilson Sons”) (together with the Company and their subsidiaries, the “Group”). OWIL is wholly owned, and Wilson Sons is 57% owned and therefore is fully consolidated in the accounts 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

Ocean Wilsons focuses on long-term performance and value creation. This approach applies to both the investment portfolio and our investment in Wilson Sons. This longer-term view of the Board results in an investment strategy whereby we hold a balanced thematic portfolio of funds leveraging our long-standing investment market relationships and supported by detailed insights and analysis. The Wilson Sons maritime logistic services investment strategy focuses on providing best in class innovative solutions in a rapidly growing market.

Contents

02

DATA HIGHLIGHTS

03

SECTION ONE - CHAIR'S STATEMENT

- 03 Investment Manager's Report
- 06 Wilson Sons' Management Report
- 06 Financial Report

10

SECTION TWO - INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- 12 Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 13 Interim Consolidated Statement of Financial Position
- 14 Interim Consolidated Statement of Changes in Equity
- 15 Interim Consolidated Statement of Cash Flow
- 16 Notes to the Interim Consolidated Financial Statements

32

DIRECTORY

Data Highlights

KEY OPERATING DATA (in US\$ millions)

	6 months ended 30 June 2022	6 months ended 30 June 2021	Change
Revenue	211.0	188.9	22.1
Operating profit	54.7	53.6	1.1
Return of investment portfolio	(48.9)	29.5	(78.4)
(Loss)/Profit after tax	(20.4)	51.8	(72.2)
Net cash inflow from operating activities	(24.7)	41.6	(16.9)

KEY FINANCIAL POSITION DATA (in US\$ millions)

	At 30 June 2022	At 31 December 2021	Change
Investment portfolio assets including cash and cash equivalents	296.9	351.8	(54.9)
Net Assets	729.3	783.7	(54.4)
Debt net of cash and cash equivalents	492.8	440.9	51.9

SHARE DATA

	6 months ended 30 June 2022	6 months ended 30 June 2021	Change
Dividend per share	US 70 cents	US 70 cents	-
Earnings per share	US (98.0) cents	US 111.7 cents	US (209.7) cents

	At 30 June 2022	At 31 December 2021	Change
Share discount	39.3%	41.6%	(2.3%)
Implied net asset value per share	GBP 15.50	GBP 15.95	GBP (0.45)
Share price	GBP 9.40	GBP 9.32	GBP 0.12

Chair's Statement

The Group has delivered a mixed financial performance for the period which is not unexpected given the market conditions in the first half of 2022. Global supply chain challenges and continued container shortages, that we saw at the end of 2021 are still impacting the financial results of Wilson Sons. Despite these headwinds, Wilson Sons maintained its operating profit when compared to the prior period due primarily to the resilience of its operations and improved revenue mix in its various business lines that offset the impact of lower container volumes. The performance is a direct result of the Management team's continued focus on business growth and driving innovation at all levels of the organization.

Whilst the investment portfolio results were loss making, in the context of the overall market and our consistent strategy, the Board is pleased with the Investment Manager's performance and by the underlying performance of some of the specific fund holdings. With the market backdrop of geo-political instability and

surging inflation, the performance of the portfolio for the remainder of the year will continue to be challenging. The Investment Manager provides more context with regards to the underlying investments results for the period. The portfolio strategy continues to be focused on producing returns with a long-term view.

Environmental, Social and Governance ("ESG")

The Board's commitment to further enhance its ESG practices is evidenced with several initiatives producing tangible outcomes during the period. At Wilson Sons, there was the launch of a new tug, one of six, which substantially reduces emissions over the older fleet. In addition, Wilson Sons continues to electrify its terminal operating machines with the order placement of new machinery at its Salvador terminals. The Investment Manager, as part of the Hanseatic Group, has applied to become a signatory to the United Nations' Principles for Responsible Investment.

Investment Manager's Report

Market Backdrop

Stock markets have ground lower through the first half of 2022, with the MSCI ACWI + FM Index declining by 20.2%, as persistently high inflation caused investors to worry about the threat of rising interest rates and their possible impact on economic growth. The US, Europe and Japan have all fallen broadly in line with the global index, while emerging markets have fallen by slightly less (-17.6%). Emerging markets have been helped by China's relatively stronger performance so far this year (-11.3%), after it significantly underperformed last year. Additionally, and unusually, bonds have not been a haven this period, with US Treasuries down 9.1% year-to-date (YTD), while investment grade and high yield bonds have fallen further. Commodities have been one area of strength, with the Bloomberg Commodity Index up 18.4%, but even here gold

and copper have declined over the last six months, while the main contributors have been energy commodities, such as WTI crude oil which has gained 37.4%.

It has been pleasing to see the portfolio's basket of less-correlated investments resist the steep falls of both the equity and bond markets so far this year, with this part of the portfolio down just 1.1% YTD. The trend-following CTA funds have done very well in this environment, with the GAM Systematic Core Macro Fund up 9.2% and Schroder GAIA Blue Trend Fund up 4.6% since its purchase in April. Keynes Systematic Absolute Fund return (+8.8%) and MKP Opportunity Fund (+6.3%) are other notable performers.

The private equity part of the portfolio has held up better than public markets and gained 1.1% over the last six months. There have been significant contributions from

funds such as Pangaea II and Great Point Partners III thanks to recent exits.

With equity markets falling sharply YTD, many of the portfolio's long-only regional exposures declined as a result. Findlay Park American Fund fell 23.8%, while in Japan, Goodhart Partners: Hanjo Fund declined 23.1%. The thematic exposures saw mixed returns, with the passive exposure to the energy sector benefiting as the iShares MSCI World Energy ETF gained 5.4%, but funds focusing on the healthcare and technology sectors have fallen in value.

Outlook

With markets having already entered a bear market, the question now is how close are they to the bottom. While some comfort can be taken from the fact that the current fall of 23% from the peak of the MSCI World Index is greater than the 19% average fall of previous declines, this may be overly optimistic if central banks engage in more aggressive policy measures in their battle against inflation. The outcome from here is very dependent on the path of inflation and interest rates, although continued volatility in markets seems likely, whatever happens. However, with a portfolio comprised of a variety of risk-on and risk-off assets and with a blend of sectors including growth and value, we will hopefully stand in reasonable stead for the challenging months ahead.

Cumulative Portfolio Returns

Performance (Time-weighted)	YTD	3 Years p.a.	5 Years p.a.
OWIL	-14.1%	5.3%	5.6%
OWIL (net)*	-14.5%	3.9%	4.3%
Absolute Performance Benchmark**	7.7%	8.0%	6.9%
60:40 Composite of MSCI ACWI and Bloomberg Global Treasury	-18.0%	2.2%	3.9%
MSCI ACWI + FM	-20.2%	6.2%	7.0%
MSCI Emerging Markets	-17.6%	0.6%	2.2%

Notes:

* Net of management and performance fees

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

Investment Portfolio at 30 June 2022

	Market Value US\$000	% of NAV	Primary Focus
Findlay Park American Fund	27,967	9.4	US Equities - Long Only
Stepstone Global Partners	15,778	5.3	Private Assets - US Venture Capital
BlackRock Strategic Equity Hedge Fund	13,838	4.7	Europe Equities - Long/Short
Silver Lake Partners	11,939	4.0	Private Assets - Global Technology
Egerton Long - Short Fund Limited	11,807	4.0	Europe/US Equities - Long/Short
iShares Core MSCI Europe UCITS ETF	10,917	3.7	Europe Equities - Long Only
Select Equity Offshore, Ltd	10,406	3.5	US Equities - Long Only
Pangaea II, LP	8,619	2.9	Private Assets - Global Emerging Markets
NG Capital Partners II, LP	8,159	2.7	Private Assets - Latin America
TA Associates	7,144	2.4	Private Assets - Global Growth
Top 10 Holdings	126,574	42.6	
Schroder ISF Asian Total Return Fund	6,771	2.3	Asia ex-Japan Equities - Long Only
GAM Star Fund PLC - Disruptive Growth	6,758	2.3	Technology Equities - Long Only
KKR America	6,661	2.2	Private Assets - North America
NTAsian Discovery Fund	5,179	1.7	Asia ex-Japan Equities - Long Only
Hudson Bay International Fund Ltd	5,116	1.7	Market Neutral - Multi-Strategy
Pershing Square Holdings Ltd	5,012	1.7	US Equities - Long Only
Goodhart Partners: Hanjo Fund	4,849	1.6	Japan Equities - Long Only
Polar Capital Global Insurance Fund	4,768	1.6	Financials Equities - Long Only
Helios Investors II, LP	4,525	1.5	Private Assets - Africa
PAI Europe	4,415	1.5	Private Assets - Europe
Top 20 Holdings	180,628	60.7	
Indus Japan Long Only Fund	4,135	1.4	Japan Equities - Long Only
Baring Asia Private Equity Fund VII, LP	3,813	1.3	Private Assets - Asia
Global Event Partners Ltd	3,603	1.2	Market Neutral - Event-Driven
Reverence Capital Partners Opportunities	3,339	1.1	Private Assets - North America
L Capital Asia	3,223	1.1	Private Assets - Asia
Worldwide Healthcare Trust PLC	3,192	1.1	Healthcare Equities - Long Only
Schroder GAIA BlueTrend	3,137	1.1	Market Neutral - Multi-Strategy
EQT Mid Market Europe, LP	3,086	1.0	Private Assets - Europe
Dynamo Brasil VIII	3,048	1.0	Brazil Equities - Long Only
GAM Systematic Core Macro (Cayman) Fund	3,005	1.0	Market Neutral - Multi-Strategy
Top 30 Holdings	214,209	72.1	
Remaining Holdings	71,691	24.2	
Cash and Cash Equivalents	11,046	3.7	
TOTAL	296,946	100.0	

Wilson Sons' Management Report

The Wilson Sons second quarter 2022 earnings report released on 11 August 2022 is available on the Wilson Sons website: www.wilsonsons.com.br.

In the report, Fernando Salek, CEO, said:

"Wilson Sons' 2Q22 revenues US\$211.0 million are 11.7% higher than the prior year period of US\$188.9 million.

Towage results were resilient with an increased average revenue per manoeuvre, despite higher fuel costs. Towage revenues increased by 9.5% to US\$101.7 million in the period.

Container terminal results were impacted by the limited availability of empty containers and global logistics bottlenecks causing vessel call cancellations. We believe that this challenging scenario could show some signs of improvement in the second half of 2022 depending on the resolution of port closures in China.

During the second quarter, our shipyard delivered WS Centaurus, the most powerful tugboat in Brazil and the first of a series of six 90-tonne bollard pull vessels joining our fleet over the next two years. The vessels' design comply with the International Maritime Organization (IMO) Tier III standard, and improves hull efficiency for an estimated

reduction of up to 14.0% in greenhouse gas emissions compared to previous technology. In addition to the launch of the new tugboat, the Salvador terminal signed a contract to acquire 12 fully electric yard tractors to further support our commitment to reduce our carbon footprint.

In July, Wilson Sons launched the first innovation hub focused on making port and maritime operations in Latin America more efficient, safe and sustainable. The initiative aims to integrate different ends of the ecosystem to accelerate innovation and foster the development of start-ups dedicated to our industry.

We are pleased to have delivered these financial results together with important operating milestones which adds to the safe and efficient offering we provide our clients and to minimize our impact on the environment. We continue to strive to improve the world-class performance of our infrastructure, our portfolio of activities, and the resilience and versatility of our services which we believe is the best possible way to address our sector challenges, transforming, over time, the maritime transport and creating a better future."

Fernando Salek,
CEO

Financial Report

Revenue

Revenues in this section relate to the sales of services by Wilson Sons which increased by 11.7% compared to the first half of the prior year to US\$211.0 million (2021: US\$188.9 million). Towage and ship agency services were \$106.3 million for the period (2021: US\$97.2 million), an increase of 9.3% driven by higher average revenues per manoeuvre in towage services and by reductions in operating expenses for shipping agency services, improving the overall margin.

Despite global container availability challenges resulting in lower container volumes, financial results remained resilient in the Port terminal division with revenues at US\$77.5 million for the period (2021: US\$72.5 million) due to increased storage times driving warehousing revenues higher.

Logistics revenues increased 51.2% to \$24.2 million (2021: US\$16.0 million) due to favourable conditions in both volumes and pricing for the international logistics business.

Operating volumes (to 30 June)	2022	2021	% Change
Container Terminals (container movements in TEU '000s)	458.1	538.6	(14.9%)
Towage (number of harbour manoeuvres performed)	26,746	26,957	(0.8%)
Offshore Vessels (days in operation)	3,104	2,573	20.6%

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

Operating Profit

Operating profit was close to flat at US\$54.7 million (2021: US\$53.6 million). Raw materials and consumables increased US\$3.8 million over the prior period driven by higher fuel costs in the towage division and employee costs increased US\$8.6 million over the prior period; these costs were expected to increase as the workforce resumed activity post pandemic and increasing cost of living expenses driven by inflation. Other operating expenses increased US\$7.9 million due to higher international freight rates in the logistics division and increases in utilities costs with longer refrigerated warehousing. The depreciation and amortisation expense at US\$31.7 million was US\$0.4 million higher than the comparative period (2021: US\$31.3million) due to additions of fixed assets. Foreign currency exchange gains of US\$2.0 million (2021: US\$2.3 million) 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 profit attributable to Wilson Sons for the period was US\$0.5 million (2021: US\$0.8million loss) as vessel turnaround times increased and the start of two new drilling campaigns by international oil companies.

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

The loss for the period on the investment portfolio of US\$48.9 million (2021: gain of US\$29.5 million) comprises unrealised losses on financial assets at fair value through profit and loss of US\$68.0 million (2021: US\$23.4 million), net investment income of US\$7.6 million (2021: US\$1.2 million) and realised profits on the disposal of financial

assets at fair value through profit and loss of US\$15.6 million (2021: US\$5.0 million).

Finance costs

Finance costs for the period were US\$3.5 million more than the comparative period at US\$18.1 million (2021: US\$14.6 million). In the prior period lenders in Brazil were extending Covid-19 relief on repayment of borrowings which are no longer in effect.

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 impact from period to period. In the six months to 30 June 2022 the BRL appreciated 8.1% against the USD from R\$5.71 at 1 January 2022 to R\$5.25 at the period end. In the comparative period in 2021 the BRL depreciated 3.8% against the USD from R\$5.00 to R\$5.20.

Profit/(Loss) before tax

Loss before tax was US\$9.7 million compared with prior year (2021: profit US\$66.2 million) with this sharp decrease mainly attributable to the negative return on the investment portfolio of US\$48.9 million and finance costs increased US\$3.5 million to US\$18.1 million for the period.

Taxation

The corporate tax rate prevailing in Brazil is 34%. The Group recorded an income tax expense for the period of US\$10.7 million (2021: US\$14.4 million). The principal items not included in determining taxable profit in Brazil are foreign exchange gains/losses, share of results of joint ventures, 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\$14.2 million (2021: US\$12.3 million), the loss attributable to equity holders of the Company is US\$34.7 million (2021: US\$39.5 million profit). The earnings per share for the period was US 98.0 cents loss (2021: US 111.7 cents profit).

Investment portfolio performance

As markets struggle with inflation and uncertainty, the investment portfolio and cash under management was US\$54.9 million lower at US\$296.9 million as at 30 June 2022 (31 December 2021: US\$351.8 million), after paying dividends of US\$2.5 million to the parent company and deducting management and other fees of US\$1.6 million.

Cash flow and debt

Net cash inflow from operating activities for the period was US\$24.7 million (2021: US\$41.6 million). Dividends of US\$24.8 million were paid to shareholders in the period (2021: US\$24.8 million) with a further US\$18.5 million paid to non-controlling interests in our subsidiaries (2021: US\$14.9 million). At 30 June 2022, the Group had cash and cash equivalents of US\$12.8 million (31 December 2021: US\$28.6 million). Group borrowings including lease liabilities at the period end were US\$505.6 million (31 December 2021: US\$469.4 million). New loans were raised in the period of US\$20.5 million (2021: US\$8.0 million) while capital repayments on existing loans in the period of US\$24.3 million (2021: US\$41.1 million) were made.

Balance sheet

Equity attributable to shareholders at the balance sheet date was US\$539.0 million compared with US\$593.7 million at 31 December 2021. The main movements in equity for the half year was the loss for the period attributable to shareholders of US\$34.7 million, dividends paid of US\$24.8 million and a positive currency translation adjustment of US\$4.1 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 2021. A detailed description can be found in the Report of Directors of the 2021 Annual Report and Financial Statements which are available on the website at www.oceanwilsons.bm.

The Board notes that there is an increase in the financial risk exposure detailed in the 2021 annual report, due to the current geo-political risk and inflationary environment on our investments. The Board continues to receive regular reports from Wilson Sons on their cash and debt management as well as impacts of domestic and international trade volumes on their operations, As previously noted in this report, reductions in container volumes are being offset with other revenues streams and cashflow forecasts remain unchanged. The Investment Manager's report provides a commentary on the financial markets' reaction to the current economic and political environments and an outlook for the remainder of the year that is very dependent on the direction that central banks take as it relates to interest rates. The Board is actively engaged with the Investment Manager to discuss ongoing strategy and to consider any adjustments in the portfolio weighting to balance risk exposure across the investment holdings.

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\$12.8 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 and Investment Manager's 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, being the parent company along with OWIL and Wilson Sons.

OWIL

OWIL has no debts but has made commitments in respect of investment subscriptions amounting to US\$45.3 million, details are provided in note 7. The timing of the 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 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 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 2022.

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

10 August 2022

Interim Consolidated Financial Statements

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

	Note	Unaudited 30 June 2022	Unaudited 30 June 2021
Sales of services	4	210,980	188,877
Raw materials and consumables used		(15,014)	(11,216)
Employee charges and benefits expense		(62,012)	(53,369)
Other operating expenses		(49,717)	(41,805)
Depreciation of owned assets	10	(23,706)	(23,896)
Depreciation of right-of-use assets	11	(6,805)	(5,982)
Amortisation of intangible assets	12	(1,175)	(1,374)
Gain on disposal of property, plant and equipment and intangible assets		88	2
Foreign exchange gains on monetary items		2,018	2,315
Operating profit		54,657	53,552
Share of results of joint ventures	9	529	(749)
Return on investment portfolio at fair value through profit or loss	4	(48,899)	29,548
Investment portfolio performance and management fees		(1,626)	(2,872)
Other investment income	4	3,693	1,307
Finance costs	5	(18,070)	(14,584)
(Loss)/profit before tax		(9,716)	66,202
Tax expense	6	(10,723)	(14,424)
(Loss)/profit for the period		(20,439)	51,778
Other comprehensive income:			
Items that will be or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		7,272	4,804
Effective portion of changes in fair value of derivatives		9	106
Other comprehensive income for the period		7,281	4,910
Total comprehensive (loss)/income for the period		(13,158)	56,688
(Loss)/profit for the period attributable to:			
Equity holders of the Company		(34,673)	39,516
Non-controlling interests		14,234	12,262
		(20,439)	51,778
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(30,558)	42,284
Non-controlling interests		17,400	14,404
		(13,158)	56,688
Earnings per share:			
Basic and diluted	19	(98.0)c	111.7c

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

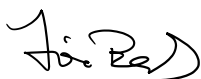
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited) at 30 June 2022 - (Expressed in thousands of US Dollars)

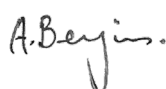
	Note	Unaudited 30 June 2022	Audited 31 December 2021
Current assets			
Cash and cash equivalents		12,761	28,565
Financial assets at fair value through profit and loss	7	307,406	392,931
Recoverable taxes		28,529	25,380
Trade and other receivables	8	70,663	59,350
Inventories		15,844	12,297
		435,203	518,523
Non-current assets			
Other trade receivables	8	1,538	1,580
Related party loans receivable	17	13,517	10,784
Other non-current assets	16	3,845	3,582
Recoverable taxes		14,033	12,816
Investment in joint ventures	9	67,108	61,553
Deferred tax assets		23,986	22,332
Property, plant and equipment	10	578,471	563,055
Right-of-use assets	11	185,285	157,869
Other intangible assets	12	14,759	14,981
Goodwill	13	13,411	13,272
		915,953	861,824
Total assets		1,351,156	1,380,347
Current liabilities			
Trade and other payables	14	(48,198)	(58,513)
Tax liabilities		(7,694)	(8,057)
Lease liabilities	11	(24,438)	(19,449)
Bank overdrafts and loans	15	(57,859)	(45,287)
		(138,189)	(131,306)
Net current assets		297,014	387,217
Non-current liabilities			
Bank loans	15	(248,703)	(256,312)
Post-employment benefits		(1,741)	(1,562)
Deferred tax liabilities		(49,265)	(50,194)
Provisions for legal claims	16	(9,406)	(8,907)
Lease liabilities	11	(174,571)	(148,394)
		(483,686)	(465,369)
Total liabilities		(621,875)	(596,675)
Capital and reserves			
Share capital		11,390	11,390
Retained earnings		619,271	678,006
Translation and hedging reserve		(91,623)	(95,739)
Equity attributable to equity holders of the Company		539,038	593,657
Non-controlling interests		190,243	190,015
Total equity		729,281	783,672

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 2022 - (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 2021	11,390	635,987	(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 18)	–	(24,754)	–	(24,754)	(14,948)	(39,702)
Share options exercised in subsidiary	–	3,025	–	3,025	3,860	6,885
Share based payment expense in subsidiary	–	–	–	–	113	113
Balance at 30 June 2021	11,390	653,774	(88,827)	576,337	191,354	767,691
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)
Share options exercised in subsidiary	–	1,261	–	1,261	1,565	2,826
Share buyback in subsidiary	–	(569)	–	(569)	(436)	(1,005)
Share based payment expense in subsidiary	–	–	–	–	173	173
Balance at 30 June 2022	11,390	619,271	(91,623)	539,038	190,243	729,281

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.

Transactions in subsidiary

Wilson Sons Holdings Brasil S.A. (WSSA), 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 2022, 2,808,840 share options of WSSA were exercised (2021: 6,743,100) and 601,400 shares of WSSA were repurchased (2021: none), resulting in a net increase in non-controlling interest of 0.28% (2021: 0.89%).

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 2022 - (Expressed in thousands of US Dollars)

	Note	Unaudited 30 June 2022	Unaudited 30 June 2021
Operating activities			
(Loss)/profit for the period		(20,439)	51,778
Adjustment for:			
Depreciation & amortisation	10,11,12	31,686	31,252
Gain on disposal of property, plant and equipment and intangible assets		(88)	(2)
Share of results of joint ventures	9	(529)	749
Returns on investment portfolio at fair value through profit or loss	7	48,899	(29,548)
Other investment income	4	(3,693)	(1,307)
Finance costs	5	18,070	14,584
Foreign exchange gains on monetary items		(2,018)	(2,315)
Share based payment expense		173	113
Tax expense	6	10,723	14,424
Changes in:			
Inventories		(3,547)	(894)
Trade and other receivables	8,17	(14,004)	(15,521)
Other current and non-current assets		(4,629)	(715)
Trade and other payables	14	(10,678)	5,524
Provisions for legal claims	16	499	(703)
Taxes paid		(10,848)	(13,814)
Interest paid		(14,872)	(12,023)
Net cash inflow from operating activities		24,705	41,582
Investing activities			
Income received from trading investments		9,563	2,023
Purchase of trading investments		(59,418)	(14,429)
Proceeds on disposal of trading investments		88,448	56,036
Purchase of property, plant and equipment	10	(27,513)	(16,585)
Proceeds on disposal of property, plant and equipment		270	49
Purchase of intangible assets	12	(575)	(405)
Proceeds on disposal of intangible assets		-	4
Investment in joint ventures	9	(4,937)	(9,985)
Net cash inflow from investing activities		5,838	16,708
Financing activities			
Payments of lease liabilities	11	(4,399)	(4,376)
Repayments of borrowings	15	(24,312)	(41,059)
New bank loans drawn down	15	20,476	7,978
Dividends paid to equity holders of the Company	18	(24,754)	(24,754)
Dividends paid to non-controlling interests in subsidiary		(18,473)	(14,948)
Shares repurchased in subsidiary		(1,005)	-
Share options exercised in subsidiary		2,826	6,885
Net cash used in financing activities		(49,641)	(70,274)
Net decrease in cash and cash equivalents		(19,098)	(11,984)
Cash and cash equivalents at the beginning of the period		28,565	63,255
Effect of foreign exchange rate changes		3,294	4,345
Cash and cash equivalents at the end of the period		12,761	55,616

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 2022 - (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 10 August 2022.

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 2021 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 2021 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 portfolio of international investments and is a Bermuda based company.

	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 30 June 2022 (unaudited)				
Segment assets	1,052,805	297,566	785	1,351,156
Segment liabilities	(620,485)	(1,167)	(223)	(621,875)

	Brazil - Maritime Services	Bermuda - Investments	Unallocated	Consolidated
Result for the period ended 30 June 2021 (unaudited)				
Sale of services	188,877	-	-	188,877
Net return on investment portfolio at fair value through profit or loss	-	26,676	-	26,676
Profit/(loss) before tax	41,849	26,598	(2,245)	66,202
Tax expense	(14,424)	-	-	(14,424)
Profit/(loss) after tax	27,425	26,598	(2,245)	51,778

Financial position at 31 December 2021 (audited)				
Segment assets	1,025,791	351,774	2,782	1,380,347
Segment liabilities	(594,218)	(2,211)	(246)	(596,675)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

4 Revenue

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

	Unaudited 30 June 2022	Unaudited 30 June 2021
Sale of services	210,980	188,877
Net income from underlying investment vehicles	7,596	1,162
Profit on disposal of financial assets at fair value through profit or loss	15,618	4,988
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(68,036)	23,398
Write down of Russia-focused investments (note 7)	(4,077)	-
Returns on investment portfolio at fair value through profit or loss	(48,899)	29,548
Interest on bank deposits	1,720	705
Other interest	1,973	602
Other investment income	3,693	1,307
Total Revenue	165,774	219,732

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 2022	Unaudited 30 June 2021
Harbour manoeuvres	94,462	83,776
Special operations	7,258	9,156
Ship agency	4,542	4,247
Towage and ship agency services	106,262	97,179
Container handling	36,250	36,453
Warehousing	21,107	16,426
Ancillary services	9,868	10,622
Offshore support bases	4,504	3,183
Other services	5,814	5,830
Port terminals	77,543	72,514
Logistics	24,210	16,012
Shipyard	2,965	3,172
Total Revenue from contracts with customers	210,980	188,877

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\$48.4 million (31 December 2021: US\$49.1 million). These amounts include US\$10.9 million (31 December 2021: US\$13.5 million) of contract assets (unbilled accounts receivables). There were no contract liabilities as of 30 June 2022 (31 December 2021: none).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (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 2022	Unaudited 30 June 2021
At a point of time	208,015	185,705
Over time	2,965	3,172
Total Revenue from contracts with customers	210,980	188,877

5 Finance costs

Finance costs are classified as follows:

	Unaudited 30 June 2022	Unaudited 30 June 2021
Interest on lease liabilities	(7,843)	(6,790)
Interest on bank overdrafts and loans	(9,771)	(7,755)
Other interest costs	(456)	(39)
Finance costs	(18,070)	(14,584)

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. The Company has received an undertaking from the Bermuda Government exempting it from all such taxes until 31 March 2035.

Tax expense

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

	Unaudited 30 June 2022	Unaudited 30 June 2021
Current tax expense		
Brazilian corporation tax	(7,999)	(10,549)
Brazilian social contribution	(3,859)	(4,035)
Total current tax expense	(11,858)	(14,584)
Deferred tax – origination and reversal of timing differences		
Charge for the period in respect of deferred tax liabilities	(7,987)	(3,448)
Credit for the period in respect of deferred tax assets	9,122	3,608
Total deferred tax credit	1,135	160
Total tax expense	(10,723)	(14,424)

Brazilian corporation tax is calculated at 25% (2021: 25%) of the taxable profit for the year. Brazilian social contribution tax is calculated at 9% (2021: 9%) of the taxable profit for the year.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (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 2022	Audited 31 December 2021
Opening balance – 1 January	392,931	347,464
Additions, at cost	59,418	72,811
Disposals, at market value	(88,448)	(73,064)
(Decrease)/increase in fair value of financial assets at fair value through profit or loss	(68,036)	33,850
Write down of Russia-focused investments ¹	(4,077)	-
Profit on disposal of financial assets at fair value through profit or loss	15,618	11,870
Closing balance	307,406	392,931
Bermuda – Investments segment	285,900	349,613
Brazil – Maritime services segment	21,506	43,318

(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.

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 2022	Audited 31 December 2021
Within one year	5,008	5,219
In the second to fifth year inclusive	3,493	2,946
After five years	36,825	35,056
Total	45,326	43,221

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 US Dollar denominated 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 2022 - (Expressed in thousands of US Dollars)

8 Trade and other receivables

Trade and other receivables are classified as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Non-current		
Other trade receivables	1,538	1,580
Total other trade receivables	1,538	1,580
Current		
Trade receivable for the sale of services	38,231	35,915
Unbilled trade receivables	10,857	13,517
Total gross current trade receivables	49,088	49,432
Allowance for expected credit loss	(660)	(338)
Total current trade receivables	48,428	49,094
Prepayments	9,244	6,646
Insurance claim receivable	1,056	632
Employee advances	1,814	1,236
Proceed receivable from disposal of financial instruments	7,009	-
Other receivables	3,112	1,742
Total other current receivables	22,235	10,256
Total trade and other receivables	70,663	59,350

The aging of the trade receivables is as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Current	41,349	43,160
From 0 – 30 days	5,494	4,098
From 31 – 90 days	1,015	858
From 91 – 180 days	499	988
More than 180 days	731	328
Total gross trade receivables	49,088	49,432

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

	Unaudited 30 June 2022	Audited 31 December 2021
Opening balance – 1 January	(338)	(554)
(Increase)/decrease in allowance recognised in profit or loss	(300)	188
Exchange differences	(22)	28
Closing balance	(660)	(338)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

9 Joint arrangements

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	
		Unaudited 30 June 2022	Unaudited 30 June 2021
Joint operations			
Towage			
Consórcio de Rebocadores Baía de São Marcos ¹	Brazil	-	50%
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%

(1) The joint operation was terminated in December 2021.

Joint ventures

The aggregated Group's interests in joint ventures are equity accounted. The Group has not given separate disclosure of each material joint ventures because they belong to the same economic group. The financial information of the joint ventures and reconciliations to the share of result of joint ventures and the investment in joint ventures recognised for the period are as follows:

	Unaudited 30 June 2022	Unaudited 30 June 2021
Sales of services	77,097	55,389
Operating expenses	(39,143)	(31,992)
Depreciation and amortisation	(31,499)	(24,582)
Foreign exchange gains on monetary items	6,274	4,217
Results from operating activities	12,729	3,032
Finance income	2,409	48
Finance costs	(9,245)	(7,948)
Profit/(loss) before tax	5,893	(4,868)
Tax (expense)/credit	(4,835)	3,368
Profit/(loss) for the period	1,058	(1,500)
Participation	50%	50%
Share of result of joint ventures	529	(749)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

9 Joint arrangements (continued)

	Unaudited 30 June 2022	Audited 31 December 2021
Non-current assets	680,438	584,886
Other current assets	36,936	46,548
Cash and cash equivalents	5,741	7,541
Total assets	723,115	638,975
Non-current liabilities	430,808	375,988
Other current liabilities	48,875	49,173
Trade and other payables	86,820	66,567
Total liabilities	566,503	491,728
Total net assets	156,612	147,247
Participation	50%	50%
Group's share of net assets	78,306	73,624
Cumulative elimination of profit on construction contracts	(11,198)	(12,071)
Investment in joint ventures	67,108	61,553

The movement in investment in joint ventures is as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Opening balance – 1 January	61,553	26,185
Share of result of joint ventures	529	(5,029)
Capital increase	4,937	40,207
Elimination of profit on construction contracts	(55)	17
Post-employment benefits	-	10
Translation reserve	144	163
Closing balance	67,108	61,553

Guarantees

The joint venture Wilson, Sons Ultratug Participações S.A. has loans with the Brazilian Development Bank which are 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\$151.5 million (31 December 2021: US\$160.4 million).

The joint venture 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, presented as long-term investment, until full repayment of the loan agreement, amounting to US\$2.0 million (31 December 2021: US\$2.1 million).

Covenants

As of 30 June 2022, a subsidiary of the joint venture Wilson Sons Ultratug Participações S.A. was not in compliance with one of its covenants' ratios. In the event of non-compliance, the joint venture has to increase its capital within a year to reach US\$5.4 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 as of 30 June 2022.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (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 2021	279,313	525,484	209,034	292	1,014,123
Additions	8,992	22,152	6,919	9,289	47,352
Transfers from joint operations	-	1,350	32	-	1,382
Transfers	(16)	1,462	(1,446)	-	-
Disposals	(1,998)	(9,196)	(4,607)	-	(15,801)
Exchange differences	(11,608)	-	(11,468)	-	(23,076)
At 1 January 2022	274,683	541,252	198,464	9,581	1,023,980
Additions	4,474	9,286	1,978	11,775	27,513
Transfers to intangible assets	-	-	(43)	-	(43)
Disposals	(16)	(2,303)	(540)	-	(2,859)
Exchange differences	10,418	-	10,188	-	20,606
At 30 June 2022	289,559	548,235	210,047	21,356	1,069,197
Accumulated depreciation					
At 1 January 2021	79,628	245,583	109,774	-	434,985
Charge for the period	7,989	26,070	12,572	-	46,631
Elimination on construction contracts	-	25	-	-	25
Disposals	(1,193)	(6,842)	(3,053)	-	(11,088)
Exchange differences	(3,773)	-	(5,855)	-	(9,628)
At 1 January 2022	82,651	264,836	113,438	-	460,925
Charge for the period	4,267	13,316	6,123	-	23,706
Elimination on construction contracts	-	42	-	-	42
Disposals	(16)	(2,251)	(410)	-	(2,677)
Exchange differences	3,397	-	5,333	-	8,730
At 30 June 2022	90,299	275,943	124,484	-	490,726
Carrying Amount					
At 31 December 2021	192,032	276,416	85,026	9,581	563,055
At 30 June 2022	199,260	272,292	85,563	21,356	578,471

Land and buildings with a net book value of US\$0.2 million (31 December 2021: US\$0.2 million) and plant and equipment with a carrying amount of US\$0.1 million (31 December 2021: US\$0.1 million) have been given in guarantee for various legal processes.

The Group has pledged assets with a carrying amount of US\$257.2 million (31 December 2021: US\$251.6 million) to secure loans granted to the Group.

No borrowing costs were capitalised for the period ended 30 June 2022 and 2021.

The Group has contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US\$20.3 million (31 December 2021: US\$14.2 million).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (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 2021	154,710	7,278	5,697	9,749	177,434
Additions	-	7,353	176	189	7,718
Contractual amendments	33,466	(838)	119	40	32,787
Terminated contracts	(15,662)	-	(177)	(806)	(16,645)
Exchange differences	(5,396)	(716)	(427)	(326)	(6,865)
At 1 January 2022	167,118	13,077	5,388	8,846	194,429
Additions	17,213	5,793	50	12	23,068
Contractual amendments	-	2,702	1,291	490	4,483
Terminated contracts	-	(2,796)	(50)	(44)	(2,890)
Exchange differences	9,594	475	79	173	10,321
At 30 June 2022	193,925	19,251	6,758	9,477	229,411
Accumulated depreciation					
At 1 January 2021	13,739	4,750	2,421	7,246	28,156
Charge for the period	7,410	4,187	980	748	13,325
Terminated contracts	(3,264)	-	(504)	(598)	(4,366)
Exchange differences	413	(743)	63	(288)	(555)
At 1 January 2022	18,298	8,194	2,960	7,108	36,560
Charge for the period	4,122	2,414	533	412	7,481
Terminated contracts	-	(1,226)	(34)	(37)	(1,297)
Exchange differences	994	217	46	125	1,382
At 30 June 2022	23,414	9,599	3,505	7,608	44,126
Carrying Amount					
At 31 December 2021	148,820	4,883	2,428	1,738	157,869
At 30 June 2022	170,511	9,652	3,253	1,869	185,285

Lease liabilities

Lease liabilities are classified as follows:

	Discount rate	Unaudited 30 June 2022	Audited 31 December 2021
Operational facilities	5.17% - 9.33%	184,803	159,444
Floating craft	7.75% - 10.52%	9,321	4,823
Buildings	4.41% - 17.19%	3,164	2,139
Vehicles, plant and equipment	4.87% - 12.9%	1,721	1,437
Total lease liabilities		199,009	167,843
Total current lease liabilities		24,438	19,449
Total non-current lease liabilities		174,571	148,394

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

The maturity analysis of contractual undiscounted cash flows is as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Within one year	25,659	20,323
In the second year	46,278	37,535
In the third to fifth years inclusive	88,227	32,767
After five years	310,193	313,102
Total cash flows	470,357	403,727
Adjustment to present value	(271,348)	(235,884)
Total lease liabilities	199,009	167,843

12 Other intangible assets

Other intangible assets are classified as follows:

	Computer Software	Concession- rights	Other	Total
Cost				
At 1 January 2021	41,107	16,013	47	57,167
Additions	1,375	-	-	1,375
Disposals	(925)	-	-	(925)
Exchange differences	(634)	(512)	(2)	(1,148)
At 1 January 2022	40,923	15,501	45	56,469
Additions	575	-	-	575
Transfers from property, plant and equipment	43	-	-	43
Disposals	(192)	-	-	(192)
Exchange differences	526	254	2	782
At 30 June 2022	41,875	15,755	47	57,677
Accumulated amortisation				
At 1 January 2021	34,348	5,852	-	40,200
Charge for the period	2,298	420	-	2,718
Disposals	(695)	-	-	(695)
Exchange differences	(411)	(324)	-	(735)
At 1 January 2022	35,540	5,948	-	41,488
Charge for the period	962	213	-	1,175
Disposals	(192)	-	-	(192)
Exchange differences	358	89	-	447
At 30 June 2022	36,668	6,250	-	42,918
Carrying amount				
At 31 December 2021	5,383	9,553	45	14,981
At 30 June 2022	5,207	9,505	47	14,759

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

13 Goodwill

Goodwill is classified as follows:

	Tecon Rio Grande	Tecon Salvador	Total
Carrying amount			
At 1 January 2021	10,949	2,480	13,429
Exchange differences	(157)	-	(157)
At 1 January 2022	10,792	2,480	13,272
Exchange differences	139	-	139
At 30 June 2022	10,931	2,480	13,411

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

14 Trade and other payables

Trade and other payables are classified as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Trade payables	(19,555)	(29,242)
Accruals	(8,538)	(7,424)
Other payables	(350)	(441)
Provisions for employee benefits	(17,927)	(19,547)
Deferred income	(1,828)	(1,859)
Total trade and other payables	(48,198)	(58,513)

15 Bank loans and overdrafts

The movement in bank loans and overdrafts is as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Opening balance – 1 January	(301,599)	(342,661)
Additions	(20,476)	(19,438)
Principal amortisation	24,312	57,926
Interest amortisation	6,527	10,390
Accrued interest	(9,807)	(16,246)
Exchange difference	(5,519)	8,430
Closing balance	(306,562)	(301,599)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (Expressed in thousands of US Dollars)

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

	Unaudited 30 June 2022	Audited 31 December 2021
Within one year	(57,859)	(45,287)
In the second year	(38,374)	(47,961)
In the third to fifth years (inclusive)	(94,014)	(86,671)
After five years	(116,315)	(121,680)
Total bank loans and overdrafts	(306,562)	(301,599)
Amounts due for settlement within 12 months	(57,859)	(45,287)
Amounts due for settlement after 12 months	(248,703)	(256,312)

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 2022 and 31 December 2021, 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 2022	(6,190)	(1,295)	(1,422)	(8,907)
Additional provisions	(217)	(1,022)	(198)	(1,437)
Unused amounts reversed	1,120	107	139	1,366
Utilisation of provisions	111	-	-	111
Exchange difference	(389)	(60)	(90)	(539)
At 30 June 2022	(5,565)	(2,270)	(1,571)	(9,406)

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

	Labour claims	Tax cases	Civil and environmental cases	Total
At 31 December 2021	(14,881)	(52,793)	(4,968)	(72,642)
At 30 June 2022	(12,140)	(57,781)	(5,439)	(75,360)

Other non-current assets of US\$3.8 million (31 December 2021: US\$3.6 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 2022 - (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 2022	Unaudited 30 June 2021	Unaudited 30 June 2022	Audited 31 December 2021
Joint arrangements				
Wilson, Sons Ultratug Participações S.A. ¹	1,729	262	13,501	10,784
Porto Campinas, Logística e Intermodal Ltda	-	-	16	-
Others				
Hanseatic Asset Management LBG ²	(1,626)	(1,329)	(279)	(2,133)
Hansa Capital GMBH ³	(40)	-	-	-
Jofran Services ⁴	(41)	-	-	-
Gouvêa Vieira Advogados ⁵	(17)	(13)	-	-

(1) Related party loans with Wilson, Sons Ultratug Participações S.A. (interest – 0.3% per month with no maturity date).

(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. C Townsend is a Director of Hansa Capital GmbH. Directors' fees were paid to Hansa Capital GmbH.

(4) Mr. J F Gouvêa Vieira is a Director of Jofran Services. Directors' fees were paid to Jofran Services.

(5) 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.

Remuneration of key management personnel

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

	Unaudited 30 June 2022	Unaudited 30 June 2021
Short-term employee benefits	(2,445)	(3,762)
Post-employment benefits	(35)	(164)
Share based payment expense	(153)	(88)
Total remuneration of key management	(2,633)	(4,014)

18 Dividends

The following dividends were declared and paid by the Company:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) for the 6 months ended 30 June 2022 - (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 2022	Unaudited 30 June 2021
(Loss)/profit for the period attributable to equity holders of the Company	(34,673)	39,516
Weighted average number of ordinary shares	35,363,040	35,363,040
Earnings per share – basic and diluted	(98.0)c	111.7c

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 2022		Audited 31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Trade and other receivables	70,663	70,663	59,350	59,350
Financial assets at fair value through profit and loss	307,406	307,406	392,931	392,931
Cash and cash equivalents	12,761	12,761	28,565	28,565
Financial liabilities				
Trade and other payables	(48,198)	(48,198)	(58,513)	(58,513)
Bank overdraft and loans	(306,562)	(306,749)	(301,599)	(301,763)

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 and overdrafts 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 2022 - (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 2022 (unaudited)				
Financial assets at fair value through profit and loss	53,737	127,321	126,348	307,406
Bank loans and overdrafts	-	(306,562)	-	(306,562)
31 December 2021 (audited)				
Financial assets at fair value through profit and loss	67,177	196,069	129,685	392,931
Bank loans and overdrafts	-	(301,599)	-	(301,599)

During the period ended 30 June 2022, no financial instruments were transferred between Level 1 and Level 2 (2021: none). The movement in Level 3 financial instruments is as follows:

	Unaudited 30 June 2022	Audited 31 December 2021
Opening balance – 1 January	129,685	99,137
Transfers from Level 2 to Level 3	-	77
Purchases of investments and drawdowns of financial commitments	7,695	15,379
Sales of investments and repayments of capital	(5,185)	(12,992)
Realised gains	3,020	6,873
Unrealised (losses)/gains	(8,867)	21,211
Closing balance	126,348	129,685
Cost	131,513	125,983
Cumulative unrealised (losses)/gains	(5,165)	3,702

Investment 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 2022	Audited 31 December 2021
5% scenario	(6,317)	(6,484)
10% scenario	(12,635)	(12,968)
20% scenario	(25,270)	(25,936)



Directory

DIRECTORS

Ms. Caroline Foulger (Chair)
Mr. William Salomon (Deputy Chairman)
Mr. Andrey Berzins
Ms. Fiona Beck
Mr. Christopher Townsend

SECRETARY

Conyers Corporate Services (Bermuda) Limited

BERMUDA OFFICE

Mailing Address

PO Box HM 2250
Hamilton HM JX
Bermuda

Office Address

Richmond House - 5th Floor
12 Par-La-Ville Road
Hamilton HM 12
Bermuda

REGISTERED OFFICE

Mailing Address

PO Box HM 2250
Hamilton HM JX
Bermuda

Office Address

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

REGISTRARS

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

INVESTMENT MANAGER

Hanseatic Asset Management LBG
Le Truchot,
Guernsey GY1 1WD
Channel Islands
Switzerland

UK TRANSFER AGENT AND OCEAN WILSONS

DIVIDEND ADDRESS

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

BROKERS

Peel Hunt
100 Liverpool Street
London
EC2M 2AT
UK

AUDITOR

KPMG Audit Limited
Crown House
4 Par-la-ville Road
Hamilton HM 12
Bermuda

