Ocean Wilsons Holdings Limited



+ 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 a wholly owned Bermuda investment company. The Company owns 57% of Wilson Sons which 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 directs an OWIL investment strategy whereby investments are made in a balanced thematic portfolio of funds leveraging our long-standing investment market relationships and through 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.

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2021 Data Highlights

KEY DATA AS AT 31 DECEMBER			
(In US\$ millions)	2021 2020		CHANGE
Profit after tax	\$82.5	\$48.0	71.9%
Operating Profit	\$97.0	\$70.0	38.6%
Revenue	\$396.4	\$352.8	12.4%
Net cash inflow from operating activities	\$106.1	\$105.7	0.4%
Investment porfolio assets including cash and cash equivalents	\$351.8	\$310.9	13.2%
Net assets	\$783.7	\$743.7	5.4%
Debt net of cash and cash equivalents	\$440.9	\$437.3	0.8%

SHARE DATA AS AT 31 DECEMBER

	2021	2020	CHANGE
Earnings per share	US 180.1 cents	US 109.5 cents	64.5%
Proposed dividend/Actual dividend per share	US 70 cents	US 70 cents	
Share discount	41.6%	39.2%	2.4%
Implied net asset value per share	GBP 15.95	GBP 13.89	14.8%
Share price	GBP 9.32	GBP 8.45	10.3%

PROFIT ANALYSIS AS AT 31 DECEMBER

(In US\$ millions)	2021	2020	CHANGE
Investment Portfolio Net Return	\$44.5	\$30.3	46.9%
Maritime Services Net Profit	\$41.4	\$20.6	101.0%
Investment Portfolio as a % of Net Profit	53.9%	63.1%	(9.2%)
Maritime Services as a % of Net Profit	50.2%	42.9%	7.3%

Strategic Report

As we continue to find a balance between getting back pre-pandemic to business operations, minimizing the challenges that "living with Covid" pose, and now considering the potential impacts of the Russia/Ukraine war on both our operations and investments; we find ourselves challenging how we operate, rationalizing our investment strategies and ensuring that we address any issues related Russian sanctions. When navigating our dayto-day operations, we seek opportunities to grow and protect our investments, drive innovation, address sustainability and minimize risks in the face of geopolitical conflict.

A significant part of the Board's focus during the year was given to supporting Wilson Sons' new listing on the Novo Mercado on the Sao Paulo Stock Exchange and analysing OWIL's legacy private equity holdings to rationalize the current investment portfolio while seeking to maximize the potential returns on these holdings. At the same time, we have been reducing risk exposure and driving ESG initiatives with Wilson Sons to have more measurable outcomes and to begin to establish climate related emissions targets for the Group. This is the first year that the Company will report on its TCFD disclosures (Taskforce for Climate-related Financial Disclosures) which has driven a more focused approach to the Group's risk management framework for monitoring and managing climate related risks. It is our ambition to ensure that these risks and related opportunities are examined in depth and across time horizons with clear discussion of strategic implications and mitigating actions.

The Group's financial results are moving back to pre-pandemic performance levels. Driven by the success of the investment portfolio in rising equity markets, the portfolio assets (including cash and cash equivalents) increased 13.2% to US\$351.8 million (2020: US\$310.9 million) and outperformed the benchmark.

Wilson Sons reported better than expected revenues of US\$396.4 million, close to comparable of 2019 revenues of US\$406.1 million, against a global shipping industry backdrop of container shortages, supply chain challenges, clogged shipping ports and changing demands on the mix of consumer goods generated.

Key performance indicators of the Wilson Sons' main revenue generating activities, the container terminals, towage and offshore vessels businesses improved year over year:

Operating Volumes	2021	2020	% Change
Container Terminals (container			
movements in TEU '000s) *	1,042.3	1,017.6	2.4%
Towage (number of harbour manoeuvres			
performed)	54,839	52,873	3.7%
Offshore Vessels (days in operation)	5,400	5,356	0.8%

^{*} TEUs stands for "twenty-foot equivalent units".

Results

Encouragingly, profit for the year at US\$82.5 million was US\$34.5 million better than the prior year (2020: US\$48.0 million) primarily due to the returns on the investment portfolio and significant improvement in Wilson Sons' revenues with increased activity over the prior year.

Operating profit at US\$97.0 million (2020: US\$70.0 million) improved by US\$27.0 million, and total comprehensive income was US\$75.3 million, US\$78.8 million better than prior year (2020: loss US\$3.5 million) driven in part by reduced foreign exchange losses. Operating expenses generally increased in correlation with increased operating revenues at Wilson Sons as business activities return to normalized levels.

The investment portfolio delivered a net return basis 14.5% and outperformed the benchmark (10.0%) by 4.5%. The portfolio including cash increased US\$43.0 million to US\$351.8 million (2020: US\$308.8 million). OWIL paid dividends of US\$5.0 million to Ocean Wilsons Holdings Limited and paid the Investment Manager management fees of US\$3.3 million (2020: US\$2.8 million) and performance fees of US\$1.6 million (2020: US\$0.3 million).

Over the three-year period ended 31 December 2021, the portfolio produced a time-weighted net return of 12.5% per annum compared with the three-year period performance benchmark of 6.5% per annum.

At the close of markets on 31 December 2021, the Wilson Sons' share price was R\$55.68 (US\$9.99), resulting in a market value for the Ocean Wilsons holding of 41,444,000 shares (56.88% of Wilson Sons) of US\$414.2 million, the equivalent of US\$11.71 (£8.65) per Ocean Wilsons share.

The market value per share at 31 December 2021 was US\$11.71 for Wilsons Sons and US\$9.88 (£7.30) for the investment portfolio. The net asset value per Ocean Wilsons Holdings Limited share was US\$22.16 (£16.37). The Ocean Wilsons Holdings Limited share price was £9.32 at 31 December 2021.

Earnings per share for the year were US 180.1 cents compared with US 109.5 cents in 2020.

The Financial Report provides further details in relation to the performance of the Group.

Environmental Social and Governance Practices (ESG)

Ocean Wilsons is committed to a responsible investing policy and operating practices within its subsidiaries. Ocean Wilsons is in a unique position, relating to ESG, as a holding company of two varied investments.

Although our investments are managed by an external investment manager, we do expect the investments in our portfolio to take ESG issues seriously, to clearly report on them and to aspire to do the right thing. As part of the Company's continued evolution of its ESG practices, the Board is working with the Investment Manager Hanseatic Asset Management LBG ("HAML") and its Sub-advisor Hansa Capital Partners LLP ("HCP"), collectively the HAML Group, such that they are working towards becoming a signatory in 2022 for the internationally recognized United Nations' Principles for

Responsible Investment ("UN PRI") to demonstrate their and our commitment to responsible investment.

At Wilson Sons, it is recognized that continued evolution of the maritime port sector is necessary for the coming years. The combination of the exponential advances in the application of technologies in ports and vessels with the growing demand for the sector to become increasingly sustainable will significantly affect the business dynamics in the industry. Wilson Sons monitors these industry trends to seek opportunities to participate in this transformation and take value from it. We believe that innovation and ESG are intrinsically connected, so that many of the solutions we apply to our current or potential businesses must involve aspects of emissions reduction, inclusion, and positive social impact. ESG is an intrinsic part of our innovative business analysis and selection criteria.

Corporate Governance

The Board has established corporate governance arrangements which are appropriate for the operation of the Company. The Board has considered the principles and recommendations of the 2018 UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council applying those aspects which are appropriate to the business. The limited areas where the Company does not comply with the Code, and an explanation of why, are contained in the section on Corporate Governance in the Annual Report. The position is regularly reviewed and monitored by the Board.

Outlook

Our outlook in the earlier part of 2022 would have discussed the ongoing supply-chain challenges triggered by Covid-19, global container shortages and inflationary concerns. These are still factors; however, we now must consider the geopolitical uncertainties and global economic impacts stemming from the Russian invasion of Ukraine. We initially expected global economic growth to be more moderate in 2022 following the very strong recovery in 2021 and this is still our general view, albeit with a more cautious lens.

As a result of the Ukrainian conflict and the ensuing economic sanctions on Russia, significant pressure has been put on markets especially commodity markets, further impacting inflation and interest rates, the full extent and market reach of these impacts is still to be fully realized. The portfolio's



exposure to Russian linked investments is less than 1.4% at the time of writing and reduced to zero at the end of Q1. Further, we are ensuring that the funds we invest in are, and remain, compliant with sanctions being imposed on Russia. We continue to be alert and cautious in our approach to minimize overreaction and maintain our disciplined approach to focus on the portfolio's objective of long-term sustainable capital growth.

The outlook in Brazil for 2022 remains cautious when considering the impacts of the war in Ukraine on world trade and the upcoming presidential elections which creates a scenario of economic uncertainty. While it is expected that pressures on our container terminal business will continue, we are expecting stronger results in the towage and a move towards recovery of maritime services to the oil and gas industry.

I am pleased to report that Wilson Sons' strategy to maximise its economies of scale to improve operating efficiencies has placed its ports in Salvador and Rio Grande as the most efficient in Brazil according to the rankings of the Global Container Port Performance Index released by the World Bank. Wilson Sons' ports were the only Brazilian ports to appear among the top 50 ports in the world. Additionally, Ocean Wilsons' stock became part of the FTSE All-Share Index on 21 March 2022, which is expected to improve the liquidity of our stock.

Passing the Torch

23 years have passed since I took office as the Chairman of Ocean Wilsons Board of Directors. At the forthcoming Annual General Meeting, I will be retiring from the Board. I would like to take this opportunity to express my sincere thanks to our valued shareholders, for the ongoing support and confidence you have given to me over the years. It was a great honour for me to serve and I am proud of what our Company has become today.

My designated successor, Ms. Caroline Foulger, with her extensive experience and strong leadership, will prove to be an excellent Chair to continue the Company's growth and evolve its investment strategy. I wish Ocean Wilsons, all its shareholders, employees, and business partners and last, but not least, my colleagues on the Board of Directors and the entire management team all the best and continuing success for the future.

J F Gouvêa Vieira

Chairman Ocean Wilsons Holdings Limited 23 March 2022

Business Review -Investment Manager's Report

Market Backdrop

2021 ended in a similar vein to how it started with concerns over new variant of COVID, Omicron. Despite this, 2021 can be best described as a year of normalisation albeit one beset by challenges and setbacks. Risk assets produced another year of double-digit returns, rising by 18.5%. Driving this performance yet again was the US market which rose by 26.4%. Europe and the UK produced positive returns rising by 15.7% and 18.5% for the year, respectively. Japan was up 1.7% whereas China fell by 21.7%. In contrast India and Russia rose by 26.2% and 15.0% albeit coming off very weak performances in 2020.

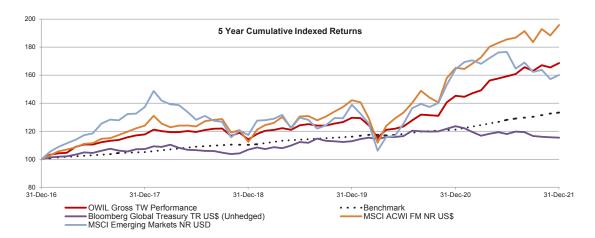
At the sector level, in contrast to recent years where performance has largely been driven by the technology and growth sectors, this year saw a broadening in returns with financials, real estate and IT returning 24.3%, 22.8% and 27.4% respectively. Highlighting contrasting fortunes, commodities rose by 27.1%, with energy the standout performer rising by 36.0%, whereas bonds were typically weaker for the year with US Treasuries falling by 2.3%.

Cumulative Portfolio Returns

	2021	2020	3 years p.a.	5 years p.a.
OWIL	16.1%	12.2%	13.9%	11.0%
OWIL (Net)*	14.5%	10.9%	12.5%	9.7%
Performance Benchmark**	10.0%	4.4%	6.5%	5.9%
MSCI ACWI + FM NR US\$	18.5%	16.2%	20.4%	14.4%
Bloomberg Global Treasury TR US\$ (Unhedged)	-6.6%	9.5%	2.6%	2.9%
MSCI Emerging Markets NR US\$	-2.5%	18.3%	10.9%	9.9%

^{*} The OWIL net performance is after charging investment management and performance fees.

^{**} The OWIL performance benchmark which came into effect on 1 January 2015 is US CPI Urban Consumers NSA +3% p.a.



Portfolio Commentary

Global markets were more volatile during 2021 with periods of strong performance counterbalanced by declines when concerns about new Covid variants shook confidence. Rising rates became an increasing focus as inflation continued to tick higher as energy prices increased and supply constraints remained unresolved. Towards the end of the year markets initially worried about the new Omicron COVID variant but ultimately this variant turned out to be far less virulent than previous waves and investors quickly looked past it. The investment portfolio was up 16.1% over the year whilst its benchmark returned 10.0% over the same period. The MSCI ACWI gained 18.5% while the Bloomberg Barclays Global Treasury index fell by 6.6%.

Looking Forward

We entered 2022 with ongoing inflationary concerns albeit with an expectation that we would see an easing as we moved through the year. Interest rates had started to rise in the West having previously been held at historically low levels due to central bank efforts to combat the pandemic.

In late February however, the decision by Russia to invade Ukraine stunned world markets. Whilst there were some fears that President Putin might launch an invasion it was not widely expected to occur in face of the limited strategic advantage and Ukraine's clear commitment to retaining its independence, not to mention the devastating effects on human life. The subsequent global sanctions that have been imposed on Russia have been both swift and severe, placing Russia under significant financial duress as well as being excluded from the global financial system for the foreseeable future.

At this stage, it is too early to assess the full financial impact of recent events. Commodity markets, which had already been under considerable pressure, are being squeezed with Russian commodities excluded from the global system. This will place yet further pressure on inflation in the short-term. The knock-on effects to global growth will need to be monitored

carefully, albeit Russia itself is a small component of the global economy; however, the effects on Europe will be more severe. Commodities are of particular importance with their many different touch points on Western economies including fuel costs, global supply chains, where Russian metals are important, and food supply. These factors, combined with the impact on economic confidence with a war in Europe, will certainly weigh on growth. Outside of Europe economies will be more immune with the US being a relatively closed economy and largely energy self-sufficient and with many emerging markets far less affected. Our weightings in the US and emerging markets are 50% and 23% respectively compared to 11% in Europe for our core regional, thematic and private equity silos (as at 10 March 2022).

We had a modest exposure to Russia through our holding in Prosperity Quest (1.2%) and some de minimis exposures mainly through index funds. The portfolio is highly diverse by country exposure, asset class and number of holdings managed by highly experienced asset managers who have operated through many different economic cycles with underlying holdings that are well positioned to weather more difficult trading conditions.

Our defensive holdings have, to-date, held up extremely well. This part of the portfolio was designed to provide a more defensive and diversified exposure at a time when bond markets, the conventional defensive asset class, were looking extremely expensive. So far this year, interestingly, bonds do not appear to be generating the positive performance that would have typically been expected during periods such as this with the ongoing inflationary pressures and prospect of higher rates weighing on them.

We will continue to actively monitor the situation over the coming weeks and months and will adjust the portfolio accordingly as matters develop, albeit always with a view to our long-term mandate.

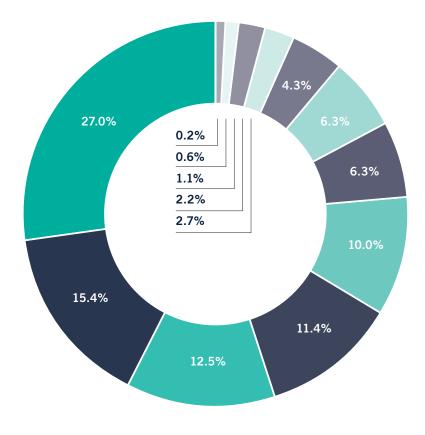
Hanseatic Asset Management LBG

10 March 2022

4.2% 4.2% 4.6% 2.0% 2.9% 6.3%

Geographic Exposure

0.2%	Cash/Liquidity Funds
2.0%	Emerging Europe
2.9%	Middle East & Africa
4.2%	Japan
4.2%	Latin America
4.6%	UK
6.3%	Diversified
10.4%	Developed Europe ex UK
15.3%	Asia Pacific ex Japan
49.9%	North America



Sector Exposure

0.2%	Cash/Liquidity Funds
0.6%	Utilities
1.1%	Real Estate
2.2%	Consumer Staples
2.7%	Energy
4.3%	Materials
6.3%	Communications Services
6.3%	Diversified
10.0%	Financials
11.4%	Health Care
12.5%	Industrials
15.4%	Consumer Discretionary
27.0%	Information Technology

Investment Portfolio as at 31 December 2021

	Market Value US\$000	% of NAV	Primary Focus
Findlay Park American Fund	39,264	11.2	US Equities - Long Only
BlackRock Strategic Equity Hedge Fund	16,200	4.6	Europe Equities - Hedge
Adelphi European Select Equity Fund	15,590	4.4	Europe Equities - Long Only
Egerton Long - Short Fund Limited	15,474	4.4	Europe/US Equities - Hedge
Select Equity Offshore, Ltd	14,508	4.1	US Equities - Long Only
GAM Star Fund PLC - Disruptive Growth	14,454	4.1	Technology Equities - Long Only
Vulcan Value Equity Fund	13,324	3.8	US Equities - Long Only
Schroder ISF Asian Total Return Fund	8,988	2.5	Asia ex-Japan Equities - Long Only
Stepstone Global Partners VI, LP	8,364	2.4	Private Assets - US Venture Capital
NG Capital Partners II, LP	7,973	2.3	Private Assets - Latin America
Top 10 Holdings	154,139	43.8	
Goodhart Partners: Hanjo Fund	7,767	2.2	Japan Equities - Long Only
Pangaea II, LP	7,670	2.2	Private Assets - GEM
NTAsian Discovery Fund	7,247	2.1	Asia ex-Japan Equities - Long Only
KKR Americas XII, LP	6,879	2.1	Private Assets - North America
Pershing Square Holdings Ltd	6,817	1.9	US Equities - Long Only
Silver Lake Partners IV, LP	6,095	1.7	Private Assets - Global Technology
Primary Capital IV, LLP	5,609	1.6	Private Assets - Europe
Indus Japan Long Only Fund	5,394	1.5	Japan Equities - Long Only
Impax Environmental Markets Fund	5,310	1.5	Environmental Equities - Long Only
Hudson Bay International Fund Ltd	5,101	1.4	Market Neutral - Multi-Strategy
Top 20 Holdings	218,028	62.0	
Stepstone Global Partners IV, LP	4,980	1.4	Private Assets - US Venture Capital
Helios Investors II, LP	4,807	1.4	Private Assets - Africa
Prince Street Opportunities Fund	4,733	1.3	Emerging Markets Equities - Long Only
Baring Asia Private Equity Fund VII, LP	4,317	1.2	Private Assets - Asia
Silver Lake Partners V, LP	4,311	1.2	Private Assets - Global Technology
EQT Mid Market Europe, LP	4,092	1.2	Private Assets - Europe
Prosperity Quest Fund	4,077	1.2	Russia Equities - Long Only
Worldwide Healthcare Trust PLC	4,069	1.1	Healthcare Equities - Long Only
SPDR MSCI World Financials UCITS ETF	3,832	1.1	Financials Equities - Long Only
Global Event Partners Ltd	3,772	1.1	Market Neutral - Event-Driven
Top 30 Holdings	261,018	74.2	
58 Remaining Holdings	88,595	25.2	
Cash	2,186	0.6	
TOTAL	351,799	100.0	

Business Review -Wilson Sons' Management Report

The Wilson Sons 2021 Earnings Report released on 23 March 2022 is posted on www.wilsonsons.com.br.

In the report, Mr. Fernando Salek, CEO of Wilson Sons, said: Wilson Sons' 2021 EBITDA of US\$159.4 million increased 16.3% compared to 2020 (2020: US\$137.1 million) with solid growth in towage operating revenues.

Container terminal operating results and exports in particular were impacted by the limited availability of empty containers and worldwide logistic bottlenecks causing vessel call cancellations. Despite these challenges Salvador container terminal reached an all-time cargo handling record of 376,400 TEUs in 2021 with new berth infrastructure supporting increased efficiency. Due to robust first half results in 2021 and an improved revenue mix, net revenues from the container terminals were U\$141.8 million, 7.3% better than prior year (2020: US\$132.2 million).

Towage results rebounded with operating volumes driven by strong commodity exports and LNG imports. Towage net revenues were US\$199.1 million in 2021 (2020: US\$173.6 million).

Our outlook for 2022 remains cautious with the effects on worldwide trade from the war in Ukraine, Brazilian elections and political scenario creating some uncertainty. In addition, our container terminal business will continue to be challenged in the first half of the year with logistical bottlenecks, lack of empty containers and cancellation of vessel calls. Trade flow in particular is expected to support strong towage results and maritime services to the oil and gas industry are expected to recover.

In terms of sustainability, we are pleased to report our carbon emissions audit has achieved the CDP Gold Seal. Health and safety continue to be fundamental for our business and the highlight for 2021 is exceptional vaccination rates among our employees which together with other precautionary actions like testing and mask wearing have protected our employees and allowed our operations to continue throughout the year.

We accomplished more than just solid financial results in 2021. Significant achievements during the year include our listing on B3's Novo Mercado, we were awarded with the internationally recognized standard of excellence for workplace environments Great Place to Work, publication of the Standard & Poor's (S&P) ESG Corporate Sustainability Assessment with the company ranked in the second quartile and we ranked in the 100 Open Start-ups Award. These initiatives and successes coupled with our strong financial position and culture of innovation, position us well for continued growth and success as we strive to be the best in class of Brazil's maritime logistics companies.

Financial Report

Operating Profit

Operating profit of US\$97.0 million was US\$27.0 million better than prior year (2020: US\$70.0 million). Operating margin improved year over year at 24.5% (2020: 19.9%) principally due to increased revenues and an improvement in foreign exchange losses on monetary items.

Operating expenses increased as expected with increased volumes in the ports nearing pre-pandemic levels. Raw materials and consumables used were US\$4.7 million higher at US\$24.0 million (2020: US\$19.3 million). Employee expenses were US\$2.0 million higher at US\$112.0 million (2020: US\$110.0 million). Employee expenses as a percentage of revenue declined from 31.2% in 2020 to 28.3% in the current year.

Other Operating expenses increase US\$13.6 million to US\$98.3 million (2020: US\$84.7 million). Depreciation at \$61.4 million was US\$0.1 million higher than the comparative period (2020: US\$61.3 million).

Revenue from Maritime Services

Revenue for the year increased by 12.4% to US\$396.4 million (2020: US\$352.8 million). The increase in revenue can be attributed to higher towage manoeuvres, increases in special operations and improved operational activity in logistics, the shipyards and shipping agency over the prior year. Container Terminal revenue increased 7.3% year over year to US\$141.8

million (2020: US\$132.2 million), in spite of a challenging global container bottlenecks in the second half of the year. Towage revenue at US\$199.1 million was US\$25.5 million higher than the prior year (2020: US\$173.6 million) with increased volumes in ports that operate larger ships and success in our ongoing focus to improve our revenue mix.

Returns on the Investment Portfolio at Fair Value Through Profit or Loss

Returns on the investment portfolio of US\$49.5 million (2020: US\$33.4 million) comprise realised profits on the disposal of financial assets at fair value through profit or loss of US\$11.9 million (2020: US\$1.0 million), net income from underlying investment vehicles of US\$3.8 million (2020: US\$3.3 million) and unrealised gains on financial assets at fair value through profit or loss of US\$33.9 million (2020: US\$29.1 million).

Finance Costs

Finance costs for the year at US\$30.2 million were US\$7.0 million higher than the prior year (2020: US\$23.2 million) as interest on lease liabilities increased US\$1.1 million to US\$13.9 million (2020: US\$12.8 million). Interest on bank loans and overdrafts increased US\$5.9 million to US\$16.2 million (2020: US\$10.3 million) due to normalization of debt repayments in during the current year after "stand still" debt repayment agreements that were given during Covid expired.

Exchange Rates

The Group reports in USD and has revenues, costs, assets and liabilities in both BRL and USD. Therefore, movements in the USD/BRL exchange rate influence the Group's results either positively or negatively from year to year. During 2021 the BRL depreciated 7.1% against the USD from R\$5.20 at 1 January 2020 to R\$5.57 at the year end. In 2020 the BRL depreciated 29.0% against the USD from R\$4.03 at 1 January 2019 to R\$5.20 at the year end.

Profit Before Tax

Profit before tax for the year increased US\$35.8 million to US\$110.4 million compared to US\$74.6 million in 2020. The increase in profit is primarily due to the US\$16.1 million in higher returns from the investment portfolio, and the \$43.6 million increase in revenues offsetting increased operating expenses and finance costs.

Taxation

The tax charge for the year at US\$27.9 million was US\$1.3 million higher than prior year (2020: US\$26.6 million). This represents an effective tax rate for the year of 25.3% (2020: 35.6%) for the Group. A more detailed breakdown of Taxation is provided in note 9 to the consolidated financial statements reconciling the effective tax rate.

Cash Flow

Net cash inflow from operating activities for the period at US\$106.1 million was consistent with the prior year (2020: US\$105.7 million). Capital expenditure in the year at US\$48.7 million was US\$10.7 million lower than the prior year (2020: US\$59.4 million).

The Group drew down new loans of US\$19.4 million (2020: US\$51.5 million) to finance capital expenditure, while making loan repayments of US\$57.9 million in the year (2020: US\$25.7 million). Dividends of US\$24.8 million were paid to shareholders (2020: US\$24.8 million) with a further US\$17.8 million paid by Wilson Sons to non-controlling interests (2020: US\$17.5 million).

Cash and cash equivalents at 31 December 2021 decreased US\$34.7 million from the prior year end to US\$28.6 million (2020: US\$63.3 million). Wilson Sons held a further US\$43.3 million in USD denominated investments which are classified as financial assets at fair value through profit or loss (2020: US\$39.6 million) which are not part of the Group's investment portfolio and are intended to fund Wilson Sons.

Statement of Financial Position

Equity attributable to shareholders of the parent company at the reporting date was US\$37.9 million higher at US\$593.7 million compared with US\$555.8 million at 31 December 2020. The main movements for the year were profits for the period of US\$63.7 million, less dividends paid of US\$24.8 million and a negative currency translation adjustment of US\$4.2 million. The currency translation adjustment arises from exchange differences on the translation of Wilson Sons operations which use a functional currency other than USD.

Net Debt and Financing

All debt at the year-end was held in the Wilson Sons subsidiary with no recourse to Ocean Wilsons, or the investment portfolio held by Ocean Wilsons (Investments) Limited. Wilson Sons' borrowings are used principally to finance vessel construction and the development of its container terminal business.

Debt net of cash and cash equivalents at 31 December 2021 was US\$440.9 million (2020: US\$437.3 million).

Leslie J. Rans, CPA

Sedië Rans

Chief Operating and Financial Officer Ocean Wilsons Holdings Limited

23 March 2022

Governance -Report of the Directors

The Directors present herewith their Report and Accounts for the year ended 31 December 2021.

The Group accounts, presented under International Financial Reporting Standards (IFRS), comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes.

Profits and Dividends

The Group's profit after tax on ordinary activities attributable to equity shareholders amounted to US\$63.7 million (2020: US\$38.7 million).

Dividends are set in US Dollars and are normally paid annually. The Ocean Wilsons dividend policy is to pay a percentage of the average capital employed in the investment portfolio and the Company's full dividend received from Wilson Sons in the period after deducting funding for the parent company costs. The Board may review and amend the dividend policy from time to time in light of our future plans and other factors.

The Board is recommending a dividend of US 70 cents per share to be paid on 15 June 2022 to shareholders of the Company as of the close of business on 20 May 2022. Shareholders will receive dividends in Sterling by reference to the exchange rate applicable to the USD on the dividend record date (20 May 2022) except for those shareholders who elect to receive dividends in USD.

Principal Activities

The Group's principal activities during the year were the management of a diverse investment portfolio and the provision of maritime and logistics services in Brazil.

The investment strategy is to maximise total return by investing

in a portfolio of diversified assets including global equities, fixed income and alternative assets. Investments are designed to add value over the medium to longer-term through a non-market correlated, conviction-based investment style.

Our subsidiary, Wilson Sons, has provided maritime services in Brazil for over 180 years. Wilson Son's strategy is to provide maritime and logistics services to the domestic economy, international trade and the oil and gas market. Details of these activities are set out in the Financial Report and Investment Manager's Report.

Company Purpose

The Company's purpose is to deliver enhanced long-term value by balancing portfolio risk and avoiding the distraction of short-term cycles with a focus on growing the business through sustainable profit growth.

Company Strategy

The Company's strategy is currently twofold:

We invest in a balanced thematic portfolio of funds by leveraging our long-term relationships and through our detailed insights and analysis. We invest in maritime logistic services providing best in class innovative solutions in a rapidly growing market.

The investment portfolio strategy is to generate real returns through long-term capital growth, whilst emphasising preservation of capital rather than short-term movements in equity markets. The investment portfolio is invested in both publicly quoted and private (unquoted) assets in three components:

- (i) Core Regional & Thematic Component
- (ii) Private Equity Component
- (iii) Diversifying Component

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Commensurate with the long-term horizon, it is expected that the majority of investments will be concentrated in equity, across both 'public' and 'private' markets. In most cases, investments will be made either through collective funds or limited partnership vehicles, working alongside expert managers in specialised sectors or markets to access what we believe represent the most advantageous investment opportunities.

The Wilson Sons strategy is to grow and strengthen their businesses while looking for new opportunities in the maritime and transport sector, focusing on Brazil and Latin America. Wilson Sons looks to develop its businesses by maximising economies of scale and efficiency and improving the quality and range of services it provides to customers. Wilson Sons principal services are container terminals, logistics, oil and gas support terminals, towage, shipyard and through our joint venture, offshore support vessels.

Values

The Company's core values are to:

- Invest and develop our business for the long-term in a sustainable manner without pressure to produce shortterm results at the expense of long-term value creation;
- Provide a safe operating environment for our employees;
- Respect the environment and the communities in which we operate and the people who work for us;
- Have meaningful long-term relationships with our stakeholders; and
- To act ethically in all our dealings.

Directors & Directors' Interests







Mr. Jose Francisco Gouvêa Vieira (Chairman)

Mr. Gouvêa Vieira is aged 72 and joined the Board in 1991. He is a partner of the Brazilian law firm of Gouvêa Vieira Advogados. Mr. Gouvêa Vieira is also a member of the Corporate Governance Committee for the American Chamber of Commerce in São Paulo and a non-executive director of Wilson Sons.

Mr. William Salomon (Deputy Chairman)

Mr. Salomon is aged 64 and joined the Board in 1995. He is senior partner of Hansa Capital Partners LLP. He is also a non-executive director of Hansa Investment Company Limited and Wilson Sons and a member of the Company's Nomination Committee.

Ms. Caroline Foulger

Ms. Foulger is aged 61 and joined the board in 2020. She is a Chartered Accountant with significant company director experience on boards of both listed and unlisted companies. She is a non-executive director on Hiscox Ltd, Atlas Arteria International Ltd, and Oakley Capital Investments Limited. Ms. Foulger is a retired partner of PWC Bermuda. Ms. Foulger is a member of the Company's Audit and Risk, and Remuneration and Management Oversight Committees, and is Chair of the Nominations Committee.







Mr. Andrey Berzins

Mr. Berzins is aged 62 and joined the Board in 2014. He is a Chartered Accountant and sits on the Boards of several Luxemburg investment funds. Mr. Berzins is the Senior Independent Director, Chair of the Company's Audit and Risk Committee and member of the Company's Nomination and Remuneration and Management Oversight Committees.

Mr. Christopher Townsend

Mr. Townsend is aged 48 and joined the Board in 2011. He is a solicitor and has an MBA from the London Business School. He is an investment director of Hansa Capital GmbH and a non-executive director of Wilson Sons.

Ms. Fiona Beck

Ms. Beck is aged 56 and joined the Board in 2020. She is a Chartered Accountant and an experienced independent director on several listed and unlisted companies. She was President and CEO of Southern Cross Cable Network. Ms. Beck is a non-executive Director of Oakley Capital Investments Limited, Atlas Arteria International Ltd. and IBEX Ltd. Ms. Beck is a member of the Company's Audit and Risk Committee and is Chair of the Remuneration and Management Oversight Committee.

The Directors who held office at 31 December 2021 had the following interest in the Company's shares:

	Interest	2021	2020
Mr. J F Gouvêa Vieira (Chairman)	Beneficial	179,100	179,100
Mr. W Salomon*	Beneficial	4,659,349	4,659,349
Mr. C Townsend*	Beneficial	4,040,000	4,040,000
Ms. C Foulger	Beneficial	15,000	10,000
Ms. F Beck	Beneficial	8,000	3,000
Mr. A Berzins	Beneficial	5,000	5,000

^{*} Additional indirect interests of Mr. W Salomon and Mr. C Townsend in the Company are set out in substantial shareholdings below.

Mr. W Salomon is Chair of Hanseatic Asset Management LBG. Mr. C Townsend is a director of Hansa Capital GmbH, a wholly owned subsidiary of Hanseatic Asset Management LBG. Fees paid to Hanseatic Asset Management LBG amounted to US\$3.3 million (2020: US\$2.8 million) for acting as Investment Manager of the Group's investment portfolio. A performance fee of US\$1.6 million is payable to the Investment Manager in 2021 (2020: US\$0.3 million).

The Board

The Board at 31 December 2021 comprised six non-executive directors. Three of the six directors are considered by the Board to be independent under the Code: Mr. A Berzins, Ms. C Foulger and Ms. F Beck. Ms. Beck and Ms. Foulger have links under the 2018 UK Corporate Governance Code as they serve on two other boards together as non-executive directors. Ms. C Foulger is Chair of one of those Boards. The Board still consider Ms. Foulger and Ms. Beck as independent as the Group has no business relationship with either of these companies and both Board members exhibit independent thought. The Board has appointed Mr. A Berzins as the senior independent director. Mr. K. Middleton, an Executive Director retired on 26 March 2021.

In accordance with the Company's byelaws, all Directors are subject to annual re-election by shareholders and if eligible, offer themselves for re-election until the following Annual General Meeting. Mr. J F Gouvêa Viera will be retiring as both Chairman and a director at the conclusion of the next Annual General Meeting and not offering himself for re-election as previously disclosed.

Newly appointed directors are subject to election at the first Annual General Meeting following their appointment to the Board. A Director retiring upon the expiration of a term

of office at an annual general meeting shall be eligible for reappointment for a further term. The Board, led by the Nomination Committee, considers on a regular basis how to refresh itself.

Non-executive directors hold letters of appointment. The other commitments of directors are disclosed on page 16 and the Board is satisfied that these commitments do not conflict with their ability to carry out effectively their duties as directors of the Company. The Board ensures that non-executive directors have sufficient time to undertake their duties through reviewing their other directorships, monitoring attendance and participation at Board meetings.

Non-executive Directors' fees are set within limits set in the Company's Articles of Association. The present limit is US\$900,000 in aggregate per annum and the approval of shareholders in a General Meeting is required to change this amount. The remuneration of non-executive directors is reviewed every three years. Levels of remuneration for the chair and all non-executive directors reflect the time commitment and responsibilities of the role and are benchmarked against comparable companies and considering the Board evaluation. During the year ended 31 December 2021, the Company paid US\$0.6 million (2020: US\$0.9 million) in directors fees.

The division of responsibilities between the Chair and the senior independent non-executive director have been clearly established, set out in writing and agreed by the Board. These are available on the Company's website. Ocean Wilsons does not have a chief executive. The Board appointed Ms. L Rans as Chief Operating and Financial Officer on 1 January 2021.

Our subsidiary, Wilson Sons, is managed by the Board of Wilson Sons who have appointed Mr. F Salek as chief executive of Wilson Sons. Ocean Wilsons manages its interest in Wilson Sons through the appointment of non-executive directors of Wilson Sons (presently Mr. J F Gouvêa Vieira, Mr. W Salomon and Mr. C Townsend) voting on matters requiring Wilson Sons' shareholders' approval.

The Ocean Wilsons Holdings Limited Board has a formal schedule of matters specifically reserved for its attention which includes:

- Determining the Company's purpose, values and strategy and satisfying itself that these and its culture are aligned;
- Determining the responsibilities of the Chair and Directors;
- Recommending changes to the capital structure of the Company or other matters relevant to its status as a listed Company for shareholder approval;

- Approving significant matters relating to acquisitions and disposals and consideration of significant financial matters;
- Selecting the Chair of the Board;
- Appointing or removing the company executives and company secretary;
- Reviewing any potential conflicts of interest and, where considered appropriate, to approve any conflict of interest;
- Approving annual and interim reports;
- Proposing any dividends and dividend policy;
- Appointing the external auditor and any financial advisor or corporate broker;
- Determining the Terms of Reference, membership and chair of Board committees, including the Audit and Risk Committee, Remuneration and Management Committee and Nomination Committee;
- Approving any agreements or amendments to agreements between Ocean Wilsons and Wilson Sons including the relationship agreement;
- Voting the shares in Wilson Sons on matters presented to shareholders of Wilson Sons for shareholder approval;
- Undertaking a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors; and
- Reviewing the Company's overall corporate governance arrangements.

The Company has a procedure in place by which directors can seek independent professional advice at the Company's expense if the need arises. The Board has full and timely access to all relevant information to enable it to perform its duties. The Company has directors and officer's insurance in place.

The Chief Operating and Financial Officer is responsible for advising the Board on all corporate matters. Each director has access to the advice and services of the Company Secretary, Mr. F McAleavey, and the Chief Operating and Financial Officer.

During 2021, seven scheduled meetings of the Ocean Wilsons Board were held in Bermuda with those Directors unable to travel due to the Covid-19 pandemic joining by video conference. Details of attendance at Board meetings are set out below.

Directors' attendance at Board meetings:

Director	Board meetings attended
Mr. J F Gouvêa Vieira (Chairman)	7
Mr. W Salomon	7
Ms. C Foulger	7
Mr. C Townsend	7
Mr. A Berzins	7
Ms. F Beck	7
Mr. K Middleton (retired March 26, 2021)	2

The agenda for each scheduled Board meeting is set by the Chair in consultation with the Chief Operating and Financial Officer. The Board of Ocean Wilsons is invited to the Wilson Sons Board meetings where appropriate to receive operational updates.

All new Directors participate in an induction program on joining the Company. This covers such matters as strategy, operation and activities of the subsidiaries and corporate governance matters. Site visits and meetings with senior management are also arranged when possible. Directors make periodic operational site visits. Directors are also provided with industry and regulatory updates as part of their ongoing training. No site visits were performed in 2021 due to travel and operational restrictions resulting from the Covid-19 pandemic.

Conflicts of Interest

The Board has in place a procedure for the consideration and authorisation of conflicts or possible conflicts of interest with the Company's interests annually including those resulting from significant shareholdings. If a director has a conflict of interest, he/she leaves the meeting prior to discussion unless requested to remain and leaves determination of such matters to the other directors. The Board ensures that the influence of third parties does not compromise or override independent judgement by requiring disclosure of outside interests, encouraging a culture of openness and debate amongst Board members and promoting independent thought.

Board of Ocean Wilsons (Investments) Limited

The Board of Ocean Wilsons (Investments) Limited is currently constituted by the same directors as the Board of Ocean Wilsons Holdings Limited. Ms. C Foulger was appointed Chair from 1 January 2021. The Board delegates authority to run the investment portfolio held by Ocean Wilsons (Investments) Limited to the Investment Manager, Hanseatic Asset Management LBG within certain guidelines. The Board of Ocean Wilsons (Investments) Limited has a formal schedule of matters specifically reserved for its attention which include:

- Appointment, removal and terms of the Investment Manager;
- Determination of investment guidelines and restrictions in conjunction with the Investment Manager;
- Approval of the investment objective and benchmark;
- Approval of and limits on the use of derivative instruments;
- Review of the performance of the Investment Manager;
- Appointment, removal and terms of the custodian of Ocean Wilsons (Investments) Limited;
- Approval of and limits on borrowing;
- Approval of the annual accounts for Ocean Wilsons (Investments) Limited; and
- Approval of any dividends.

OWIL Investment Policy

The Investment Manager will seek to achieve the investment objective through investments in publicly quoted and private (unquoted) assets across three 'silos':

- (i) Core Regional & Thematic Component this forms the core of the portfolio and provides global exposure mostly through single-country and regional equity funds with the balance reflecting the Investment Manager's current market outlook. Thematic funds are included to provide exposure to growth sectors such as technology and biotechnology.
- (ii) Private Equity Component In line with the Company's long-term investment horizon we invest in private equity funds. This provides access to the improved potential investment returns available by being able to commit capital for multiple years and also to large areas of the economy that are not accessible through public markets.

(iii) Diversifying Component – as business cycles mature, we seek to shift dynamically to those asset classes that are likely to add portfolio protection. This component includes a wide variety of investment strategies, with the common thread that they all display low correlations to broad equity markets.

The Investment Manager maintains a global network to find the best opportunities across the three silos worldwide. The portfolio contains a high level of investments which would not normally be readily accessible to investors without similar resources. Furthermore, many holdings are closed to new investors. There is currently no gearing although the Board would, under the appropriate circumstances, be open-minded to modest levels of gearing. Likewise, the Board may, from time to time, permit the Investment Manager opportunistically to use derivative instruments (such as index hedges using call and put options) to actively protect the portfolio.

Contracts and Agreements with Substantial Shareholders

Mr. W Salomon and Mr. C Townsend have interests in the investment management agreement with Hanseatic Asset Management LBG. Both Mr. W Salomon and Mr. C Townsend receive remuneration from Hanseatic Asset Management LBG. The independent directors of the Board conduct a regular review of this agreement.

Service Contracts

Regarding the Directors proposed for re-election at the Annual General Meeting there are no service contracts between any of them and the Company.

Nomination Committee

Ms. C Foulger, an independent director, was the Chair of the Nomination Committee throughout 2021. In addition to Ms. Foulger, the Committee comprised of two additional directors, Mr. A Berzins, an independent director, and Mr. W Salomon.

There were two scheduled meetings in 2021. Director's attendance at these meetings is set out below:

Director	Committee meetings attended
Ms. C Foulger (Chair)	2
Mr. W Salomon	2
Mr. A Berzins	2

The Nomination Committee has formal terms of reference approved by the Board which are reviewed on an ongoing basis and are available on the Company's website. The principal responsibilities of the Nomination Committee are:

- to lead the process for the appointment of Directors, ensure plans are in place for orderly succession, and oversee the development of a diverse pipeline for succession, considering the Company's strategic priorities;
- to be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- to lead the regular review of the Board structure, size and composition (including its skills, knowledge, diversity and experience);
- before any appointment is made to the Board, prepare for consideration by the Board an updated evaluation of the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall:
 - use the services of external advisers to facilitate the search:
 - consider candidates from a wide range of backgrounds;
 and
 - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- ensure that, prior to the appointment of a director, the proposed appointee should be required to disclose any business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest; and
- arrange, that on appointment to the Board, Directors receive a formal letter of appointment confirming clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.

Annual General Meeting 26 May 2022

At the upcoming Annual General Meeting, Mr. J F Gouvêa Vieira will not stand for re-election after having served as Chairman of the company for the past 23 years. The Board places great importance on a long-term solution for the succession and has decided unanimously that Ms. Caroline Foulger, a current Director, with her extensive experience and strong leadership qualities is the ideal candidate to become the Chair of Ocean Wilsons. Therefore, the Board of Directors proposes to the Annual General Meeting to re-elect her as a member of the Board of Directors after which the Board will appoint Ms. Foulger as Chair.

Remuneration and Management Oversight Committee

The Remuneration and Management Oversight Committee comprises three independent non-executive directors: Ms. F Beck (Chair), Mr. A Berzins and Ms. C Foulger.

There were two scheduled meetings held in 2021. Director's attendance at these meetings is set out below:

	Committee meetings
Director	attended
Ms. F Beck (Chair)	2
Mr. A Berzins	2
Ms. C Foulger	2

The Committee's terms of reference are reviewed annually and are available on the Company's website. The principal responsibilities are:

- to determine the policy for Ocean Wilsons' executive management's remuneration and the remuneration for the chair and non-executive Directors;
- to determine bonuses payable to executive management under the Company's bonus scheme; and
- to review significant vendor agreements and other management oversight as required.

Remuneration Policy

The Company's remuneration policy aims to align the interests of the executive with those of shareholders. The overriding objective is to ensure that the Company's executive remuneration policy encourages, reinforces and rewards the

delivery of sustainable shareholder value. The Remuneration Committee is responsible for setting non-executive Directors' fees. Fees are structured as a basic fee for Board membership and an additional fee for any committee chair. Non-executive Director fees are reviewed at least every three years, the last review was in 2019. The Committee believes that an effective remuneration strategy plays an essential part in the future success of the Company.

The Committee does not determine the policy for remuneration or set remuneration for the Chair, executive Directors and senior management at Wilson Sons. It also does not review workforce remuneration and related policies or set remuneration policy at Wilson Sons. The Board regularly reviews oversight of Wilson Sons workforce remuneration and related policies to ensure that incentives and rewards are aligned with culture and are considered when setting Wilson Sons' policy for executive remuneration.

Remuneration

Non-executive Directors' fees are set within limits set in the Company's Articles of Association. The present limit is US\$900,000 in aggregate per annum and the approval of shareholders in a General Meeting is required to change this amount. Levels of remuneration for the chair and all non-executive directors reflect the time commitment and responsibilities of the role and are benchmarked against comparable companies and considering the Board evaluation.

The board of Wilson Sons is responsible for all remuneration matters relating to Wilson Sons and its subsidiaries. Mr. J F Gouvêa Vieira, Mr. W Salomon and Mr. C Townsend are directors of Wilson Sons. These directors received directors' fees from Wilson Sons in addition to their fees as directors of Ocean Wilsons in 2021.

Audit and Risk Committee

The Audit and Risk Committee comprises three independent directors, Mr. A Berzins (Chair), Ms. F Beck and Ms. C Foulger. The Board is satisfied that during 2021 the three members have recent and relevant financial experience as all have served on the audit committees of other listed companies and hold accounting qualifications.

The Committee met six times in 2021. The Chief Operating and Financial Officer of Ocean Wilsons attended each of these meetings. The external auditors attended three meetings. The

Committee meets with the external auditor without the Chief Operating and Financial Officer present to receive feedback on their performance.

	Committee meetings attended		
Director			
Mr. A Berzins (Chair)	6		
Ms. F Beck	6		
Ms. C Foulger	6		

The Audit and Risk Committee has defined terms of reference which are available on the Company's website. The principal responsibilities of the Audit and Risk Committee are to:

- review the integrity of the interim and full year financial statements of the Company, including reviewing significant financial reporting judgements included in them;
- provide advice to the Board as to whether the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position and performance, business model and strategy;
- review the Company's internal control and risk management systems;
- make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements. The independence of the external audit process has been assessed by reviewing reports from the external auditors describing their arrangements to identify, report and manage any conflicts of interest. The Board also reviews the provision of non-audit services provided by the external auditors. Any non-audit services provided by the auditor must be an arms-length transaction;
- consult with the Group's auditor and, where necessary
 the auditor of the subsidiary companies, regarding any
 matters arising in the course of the annual audit which
 should be brought to the attention of the Board;

.....

 monitor the Group's risk exposure, opportunities and mitigation;

- consider the need for an Ocean Wilsons internal audit function and review the work performed by the Wilson Sons internal audit function; and
- review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Report from the Audit and Risk Committee Chair on the actions taken by the Audit and Risk Committee to discharge its duties:

Since the beginning of 2021, the Audit and Risk Committee has:

- reviewed the December 2020 annual report and financial statements, the June 2021 half yearly financial report and the quarterly updates issued in May and November 2021. As part of the review of the December 2020 Annual Report and Financial Statements, the committee received a report from the external auditor on their audit work performed on the annual report and financial statements;
- provided advice to the Board on whether the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- reviewed and challenged the assumptions used in the Wilson Sons impairment test on the Brasco offshore support base cash-generating unit "CGU" including long-term revenue; costs and expenses; investments; projection period; growth rate and discount rates based on the weighted average cost of capital ("WACC");
- reviewed and approved the scope of audit work to be undertaken by the auditor;
- agreed the fees to be paid to the external auditor for the audit of the December 2021 financial statements;
- undertook a robust request for proposal ("RFP") and tender process to assess applicants and appoint a new auditor;
- assessed the qualification, expertise and resources, and independence of the external auditor;

- received reports from the Wilson Sons Audit Committee and the Wilson Sons internal audit team:
- received a report on cybersecurity at Wilson Sons. The report highlighted the principal risks as ransomware, data loss, customer data breaches, mission critical systems failure, reputational damage, financial losses and operational accidents. The Committee was satisfied with the actions being taken to mitigate cyber risks;
- received a report on the Wilson Sons enterprise risk management process (see principal and emerging risks on page 26);
- received litigation reports from the Wilson Sons legal department outlining the legal provisions in the accounts and work performed to manage possible claims;
- received a briefing on the Wilson Sons whistle-blowing channel outlining the structure of the whistle-blowing channel and procedures for following up on complaints received;
- reviewed the 2021 annual report to assess if the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company. The Committee is of the opinion that the annual report and accounts articulate how the Company has performed during the year and provides full disclosures at each of the segment levels. The messages in the Chair's Statement, Directors' Report and Financial Reports are reflected in the annual accounts and there is consistency between the narrative sections and the financial statements. As part of the review of the December 2021 annual report and financial statements, the committee received a report from the external auditor on their audit work performed on the annual report and financial statements; and
- reviewed the performance of the external auditors and the
 effectiveness of the external audit process for the year
 ended 31 December 2020. The review was based on a
 survey of key stakeholders across the Group, the quality
 of the auditors' reporting to and interaction with the Audit
 Committee. Based on the information currently available
 and this review, the Audit Committee was satisfied with the
 performance of the previous auditors and the effectiveness
 of the audit process.

To fulfil its responsibility regarding the independence of the external auditor, the Audit and Risk Committee reviewed:

- EY's determination that they would not be independent for the 2021 audit. As such, the Audit Committee accepted EY's resignation and recommended to the Board that the successful audit firm from the RFP process for the 2022 audit appointment, KPMG Bermuda, be appointed to perform the 2021 audit;
- the overall extent of non-audit services provided by the external auditor. Non-audit services were provided in 2021, before EY resigned as the Company's auditor and before the RFP process to appoint a new auditor, by KPMG Bermuda. As part of the RFP process and due diligence performed by KPMG, any potential impairments to independence and the management of those were discussed and it was concluded by both parties that these non-audit services did not impact KPMG's independence;
- the external auditor plan for 2021, noting the role of the audit partner who signs the audit report and who, in accordance with professional rules, has not held office for more than five years and any changes in key audit staff; and
- a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest.

After discussion with the external auditor and Ocean Wilsons (OWHL) management, it was determined that the key risks of misstatement in the Group's 2021 financial statements relate to:

Provisions – Legal claims against the Brazilian operations comprise civil and environmental cases, tax cases and labour claims. The reporting risk relates to the completeness of claims recorded and the estimation of the provisions held against these exposures. There remain a significant number of contingent liabilities, particularly concerning labour and taxation claims. Provisions are based on prior experience, Wilson Sons' management's best knowledge of the relevant facts and circumstances and expert legal advice relative to each case. The Committee questioned Wilson Sons' management on their assumptions used in determining provisions and the procedure for classification of legal liabilities as probable, possible or remote loss by the external lawyers. The Committee reviewed legal reports from Wilson Sons' management on contingencies and asked questions on the background and progress of material claims. The Committee evaluated the current level of provisions in light

- of historical trends and claim history to ensure provisions were adequate. The committee further ensured that adequate resources are allocated to recording, evaluating and monitoring legal claims to ensure the completeness of claims recorded and provisions made. The Committee also discusses potential risks surrounding legal claims with the external auditor and reviewed their audit findings.
- Impairment Risk to Wilsons Sons Brasco cash generating unit – The Group has significant property plant and equipment and intangibles balances within the Brasco cash generating unit. The reporting risk is that these balances may be overstated. Wilson Sons' management perform impairment reviews for property, plant and equipment and intangibles as required by IAS 36, Impairment of Assets. The impairment test is performed by comparing the carrying value of property, plant and equipment and intangibles to its value in use, calculated using the discounted cash flow forecasts under the principles of IAS 36. The committee examined and challenged Wilson Sons' management's key assumptions used in the impairment tests to understand their impact on the recoverable amounts. The Committee was satisfied that the significant assumptions used were appropriate and sufficiently robust. The Committee was further satisfied with the impairment disclosures in the financial statements. The Committee also discusses potential risks surrounding impairment risk with the external auditor and reviewed their audit findings.
- Revenue recognition The revenue recognition risk could arise from inappropriate revenue recognition policies, incorrect application of policies or cut-off errors surrounding year end or management override/ manipulation of revenue. The Committee considered the Group's revenue recognition policies and the level of transactions compared to previous periods. The Committee received quarterly Wilson Sons' management reports on revenue and financial performance with comparisons to budget and prior year. The Committee reviewed and questioned Wilson Sons' management explanations for variances and revenue performance. The Committee also discussed potential risks surrounding revenue recognition with the external auditor and reviewed their audit findings. The Committee was satisfied with management's explanations of variances and application of the presented policies relating to revenue recognition.
- Investment valuation The investment valuation risk arises from the valuation of the Level 3 investments which requires significant judgements and estimates by

management and external inputs, principally investment valuations made by the managers of the funds we invest in. The Committee received quarterly reports from the Investment Manager on investment performance which included historical performance analysis and management outlook for investment and market performance. The Committee reviewed and questioned the Investment Manager and obtained explanations for investment performance and variations from market performance, investment expectations and potential risks to future performance. This information is considered in the valuation of Level 3 investments. The Committee examined and challenged management's key assumptions used in the valuation of investments. The Committee was satisfied that the significant assumptions used were appropriate. The Committee was further satisfied with the disclosures in the financial statements. The Committee also discusses potential risks surrounding investment valuation with the external auditor and reviewed their audit findings.

During the year, the audit of the Company's 2020 financial statements undertaken by Ernst & Young LLP was chosen for inspection by the United Kingdom Financial Reporting Council ("FRC"). The FRC's review identified limited areas for improvement. As the company changed auditors during 2021 to KPMG, the Committee discussed the areas identified for improvement by the FRC with the Company's new auditor and understood how the new auditor proposed to ensure their audit of the 2021 financial statements would address the FRC's findings.

Andrey Berzins

Audit and Risk Committee Chair Ocean Wilsons Holdings Limited

23 March 2022

Employees

The average number of persons, including Directors, employed by the Group in 2021 was 3,207 (2020: 3,807), almost all of whom are employed by our operating subsidiary, Wilson Sons.

Share Option Plan

On 24 June 2021, the shareholders of Wilson Sons, in a special general meeting, approved the migration of the share options plan ("Migration Plan") from Wilson Sons Limited ("WSL") to Wilson Sons Holdings Brasil S.A. as part

of Wilson Sons listing on the Novo Mercado. The Migration Plan replaced the share options granted by WSL under the 2014 Share Options Scheme which allowed for the grant of options to eligible participants to be selected by the Wilson Sons Board. Details of the share option plan are disclosed in note 26 to the consolidated financial statements.

Substantial Shareholdings

As at 31 December 2021 the Company was aware of the following holdings of its shares, in excess of 3% of the issued ordinary share capital:

	Number	
Name of holder	of shares	% Held
Hansa Investment		
Company Limited	9,352,770	26.45
Victualia Limited Partnership	4,435,064	12.54
Mr. C Townsend	4,040,000	11.42
Dynamo Administração		
de Recurso	2,338,369	6.61
Utilico Emerging Markets		
Utilities Limited	1,623,000	4.59

The Company has been advised that Mr. W Salomon has an interest in 4,435,064 shares registered in the name of Victualia Limited Partnership and that Mr. W Salomon has an interest in 27.2% and Mr. C Townsend an interest in 25.9% of the voting shares of Hansa Investment Company Limited.

Auditor

During the year, Ernst & Young LLP ("EY") resigned as auditors as EY determined they would not be independent for the Company's 2021 audit. The Company appointed KPMG Audit Limited ("KPMG") as the Company's independent auditor, after a competitive tender process, with effect from 21 October 2021 until the conclusion of the Company's annual general meeting in 2022. KPMG have expressed their willingness to continue in office as auditor and a resolution to reappoint KPMG Audit Limited under the provisions of Section 89 of the Bermuda Companies Act 1981 will be proposed at the forthcoming Annual General Meeting. During the year ended 31 December 2021, the Company paid US\$0.7 million (2020: US\$0.7 million) in audit fees for the audit of its consolidated financial statements.



Internal Controls

The Board is responsible for the system of internal control and reviewing its effectiveness. The Audit and Risk Committee assists the Board in monitoring the effectiveness of our internal control and risk management policies. The internal controls are designed to cover material risks to achieving the Group's objectives and include business, operational, financial and compliance risks. The internal controls are designed to identify, evaluate and manage rather than eliminate risk of failure to meet business objectives. These controls have been in place throughout the year and no significant deficiencies have been identified.

The Board reviews the need for an internal audit department annually and currently considers no internal audit function is required. Wilson Sons has an independent Audit committee in addition to an internal audit function. Hanseatic Asset Management LBG, the Investment Manager of Ocean Wilsons (Investments) Limited and its portfolio custodian Lombard Odier also provide reports on their internal controls for the Board to consider and review in its assessment for the need of an internal audit department. The Board also noted there was segregation of duties between the Investment Manager and the recording and preparing of accounts as this is done by an independent professional accounting firm. Additionally, Wilson Sons presents the results of the Wilson Sons' internal audit function to the Wilson Sons' and Ocean Wilsons' Audit and Risk Committees on an annual basis and reports any material findings on a quarterly basis. No material items were reported in 2021. In reviewing Wilson Sons, the Board receives reports from the Wilson Sons' legal department, and on cybersecurity from Wilson Sons' IT department.

The Ocean Wilsons' employee whistle-blowing policy is designed to enable employees of the Company to raise concerns internally and at a high level and to disclose information which the individual believes may show malpractice or impropriety. Wilson Sons' whistle-blowing policy and procedures enable employees who have concerns about the application of Wilson Sons' Code of Ethics to raise them with the Wilson Sons' Ethics Committee. During the year, the Board of Ocean Wilsons received reports on the Ocean Wilsons' and Wilson Sons' corporate governance environment as well as the work of the Wilson Sons' Ethics Committee.

Risk Management

Ocean Wilsons has an ongoing process for identifying, evaluating and managing key risks including financial, operational and compliance controls. A risk register is maintained detailing business risks, together with controls and responsibilities. The risk register is regularly reviewed by the Audit and Risk Committee. The Board is satisfied that these systems are operating effectively.

The principal risks and uncertainties are described below and additionally note 31 to the consolidated financial statements provides detailed explanations of the risks associated with the Company's financial instruments. The Audit and Risk Committee and the Board carried out a robust assessment of the Group's emerging and principal risks.

Principal Risks

Nature of Risk	Description	Potential Impact	Risk mitigation
Financial Risk – equity market exposure	The Group's investment activities expose it to movements in equity values.	Losses arising from large adverse movements in equity prices.	As a long-term investor, short-term changes in the value of investments are part of the investment cycle. The Group does not have any significant borrowings or shareholder withdrawals that may put pressure on the Group to sell an investment solely due to its price movements.
			The Board of OWIL determines investment guidelines and restrictions in conjunction with the Investment Manager, these together, with the Investment Managers reports are reviewed at the OWIL board meetings to monitor performance and ensure compliance with the investment guidelines.
			The investment portfolio is invested in a diversified range of asset classes and markets, so the Group is not concentrated in one particular market or asset class.
currency exposure act mo cui	The Group's investment activities expose it to movements in foreign currency exchange rates.	Losses arising from large adverse movements in foreign currency exchange rates.	OWHL and OWIL do not take speculative positions in non-US Dollar denominated assets.
			The majority of cash and liquid assets are maintained in US Dollars.
			The Group (outside of Wilson Sons) does not have material non-US Dollar denominated liabilities. Non-US Dollar denominated liabilities are trade creditors from UK based suppliers, non-US Dollar denominated investment trades waiting to settle and non-US Dollar capital subscription commitments.
Financial Risk – USD/ BRL currency volatility		·	The Board of Wilson Sons is responsible for managing currency risk in their operations.
		Brazilian Real /US	OWHL does not hedge its exposure as the functional currency of Wilson Sons is US Dollars and the Board does not deem it practicable to hedge this exposure. There is a partial natural hedge in the underlying Wilson Sons business as a significant portion of pricing and cashflows are linked to the US Dollar.
			The Board of OWHL monitors the performance and risks of Wilson Sons through reviews of the OWHL interim and annual financial statements and the presence of three OWHL appointed Board members on the Board of Wilson Sons.

Principal Risks - CONTINUED

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Nature of Risk	Description	Potential Impact	Risk mitigation
Financial Risk – domestic and international trade volumes	Demand for Wilson Sons' services is substantially dependent on overall volume of Brazilian domestic and international trade.	in international trade or offshore oil and gas industry can lead to financial losses.	Wilson Sons is a market leader in many of the business segments providing diversification in the service offerings.
			Wilson Sons maintains levels of capital expenditure and investment in assets and people to be able to remain competitive and
	Wilson Sons' onshore and offshore support bases are dependent on the Brazilian offshore oil and gas industry.		seek opportunities to drive efficiencies. The majority of Wilson Sons' business is not exposed to oil and gas and is well diversified. However, Wilson Sons seeks to engage in long-term contracts to reduce volatility and assesses the value-in-use of these entities to ascertain if there are any impairments.
IT Security Risk - Technology and	A successful malicious cyber-attack could	could compromised, denial ge to of service, business	Access to systems and information is password protected and is limited to authorised users.
cybersecurity	cause damage to our business and operations.		Regular back up on network to cloud and separate disks are performed.
			Wilson Sons actively manages technology risks and reports to the Wilson Sons' Board which provides the report to OWHL on measures to protect and, the impact of any breach.
ESG Risk – compliance with ESG regulations and reaching emission targets set	Environmental - emissions reduction targets for WS operations are not met.	The Group may not be performing at best practice ESG levels which could impact	The Group continues to monitor opportunities to invest in technology and implement operational efficiencies that could reduce our greenhouse gas emissions.
	ESG Governance - OWIL investment holdings do not align with responsible investing practices ESG Governance - both compliance and regulation, potential fines, investment performance and investor relations.	In 2021 Wilson Sons completed the S&P rating for ESG to assist in grading current state and setting goals for improvement.	
		OWIL has requested that Hansa takes the necessary steps to become a signatory to the UN Program for Responsible Investing	
	OWHL Board is not compliant and its ESG		in 2022.
	strategy is not being effectively managed or communicated		Wilson Sons monitors and trains its employed to reduce injury and improve safety in the work environment. Additionally, they invest the communities in which they operate with
	ESG Social - Health and Safety targets for WS operations and corporate giving program are not met or implemented		charitable giving. OWHL approved a corporate giving policy in
			2021 which will be implemented in 2022.
			The OWHL Board and management has improved diversity with the addition of 2 female directors and 1 female executive. A female
	ESG Social - OWIL responsible investing practices are not met or implemented		Chair will be appointed for OWHL in May 2022.
	ESG Social - OWHL corporate giving and diversity policies are not met or implemented		

Emerging Risks

Nature of Risk	Description	Potential Impact	Risk mitigation
financial markets and the container shipping industry as workforce and operational disruption. as workforce and operational disruption. could be negatively impacted from continued volatility in markets as economies seek to recover and avert from pandemic related costs and production delays. Further work disruption in the event of increased severity and	The Group has a diversified portfolio of assets.		
	investment portfolio could be negatively	investment portfolio could be negatively impacted from continued volatility in markets as economies seek to recover and avert from pandemic related costs and production delays. Further work disruption	Since January 2020 Wilson Sons has implemented a number of measures and protocols to ensure:
	as workforce and		(i) the health, safety and well-being of our employees, clients and partners;
			(ii) the continuity of operations; and
			(iii) the financial strength and resilience of the business.
			We continue to monitor developments in the Covid-19 pandemic and will take actions in managing our businesses where appropriate.
Emerging Risk – Changing political environment and	Regulation is becoming geographically diverse with increases in protectionist behaviours and fragmented regulation. Additionally, governments could seek to recover the costs of the COVID-19 pandemic through tax increases.	regulatory measures impacting our strategy could result in increased costs, create a competitive disadvantage or have negative impact on our return on capital	The Group holds a diversified portfolio of assets to avoid excessive exposure to specific political risks.
regulatory policies			Investment decisions take account of suitable risk premia in economies and financial markets most susceptible to political intervention.

Emerging Risks - CONTINUED

Nature of Risk

Emerging Risk - Climate change and extreme weather events may impact our business or the businesses of our customers

Description

Much of the Group's revenue is derived from services linked to Brazilian trade volumes and are sensitive to the rate of growth in Brazilian GDP and trade flows. Brazilian GDP or trade flows may be adversely impacted by climate change or a change in the frequency or intensity of extreme weather events. Agricultural exports account for a significant portion of Brazilian trade and are particularly vulnerable to changes in weather patterns which may result from climate change.

Decreases in Brazilian growth or trade volumes could adversely affect demand for Group services and its financial condition. The Group's operational efficiency may also be adversely impacted by climate change or extreme weather events.

Potential Impact

Decreases in Brazilian growth or trade volumes could adversely affect the demand for services and the financial condition of the Group. The operational efficiency may also be adversely impacted by climate change or extreme weather events.

There is a regulatory risk that government may act prompted by climate change that impacts our business or the businesses of our customers. The International Maritime Organisation initial Greenhouse Gas Emissions (GHG) strategy envisages a reduction in carbon intensity of international shipping (to reduce CO2 emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008); and that total annual GHG emissions from international shipping should be reduced by at least 50% by 2050 compared to 2008.

Risk mitigation

The Board continues to monitor and evaluate the potential impacts resulting from climate change and extreme weather events including the regulation risk that may cause government action.

The Company engaged a consultant to develop its framework for TCFD reporting requirements for 2021 and 2022 which will evolve the Company's risk management approach as it relates to climate risk and set targets for carbon emission reductions and the path to meet those targets.

The Board continues to monitor opportunities to invest in technology and implement operational efficiencies that could reduce our greenhouse gas emissions.

Communications with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders twice a year by way of the Annual Report and Financial Statements and Half Year Financial Report. When a significant proportion of the votes have been cast against a resolution at an Annual General Meeting the Board will contact significant shareholders to understand the reasons behind their vote. The Company's website www.oceanwilsons.bm contains copies of the annual and interim reports and stock exchange announcements.

Environment, Social and Governance Practices ("ESG")

The Board believes that responsible investing and sustainable operating practices are integral to the longer-term delivery of the Company's long term success. The Board works closely with both the Investment Manager and Wilson Sons' management to regularly review the Company's performance, investment strategy, capital investment and expansion opportunities. The Board reviews and assesses underlying policies to ensure that the Company is evolving its ESG strategy to drive a culture that ensures effective, ethical and viable investment for our shareholders and future investors.

The Board has agreed a responsible investing policy with OWIL's Investment Manager, Hanseatic Asset Management LBG. As long-term investors, the Company has a natural commitment to be responsible investors and good corporate citizens. This is reflected in the belief that such businesses and investors are likely to generate superior long-term returns and, furthermore, consideration of such issues is an important element to manage potential risks. The Responsible Investment Policy agreed with the Investment Manager incorporates ESG factors into their fund management business. When assessing the attractiveness of a fund or company they consider their environmental impact, social factors and good governance.

Currently, Hansa Capital Partners' investment policies include reviewing its investment portfolio and identifying if a portfolio manager or company are not engaged in practicing ESG. Our Investment Manager will then seek to engage with them to encourage improvement with the ultimate sanction being exiting, or not investing in, a fund or company if their concerns are not sufficiently addressed.

As part of the Investment Manager's fund selection process, ESG is included as part of due diligence. It considers the following factors:

- Does the manager take their ESG responsibilities seriously?
- Do they have a formal ESG policy?
- How does the manager engage with those companies that are failing in their responsibilities?
- What is their voting policy?
- How do they consider their carbon footprint?

When the Investment Manager is selecting funds, they do not seek to exclude specific sectors and countries, but instead, for those companies that make significant use of energy, resources and materials they want to understand how they manage these issues and their responsibilities.

The Investment Manager's Responsible Investing Policy is available on the Hanseatic Group website www.hansagrp.com.

Environment

The Board closely engages with Wilson Sons Board and Management to ensure that there is alignment on the strategic direction, focus, targets and reporting on ESG matters and on the newly introduced TCFD reporting requirements for 2022. Wilson Sons continues to manage, implement and develop robust ESG practices. Of particular note, the Board received a report from Wilson Sons on their innovation strategies aimed at transforming how Wilson Sons operates and leverages technology to accelerate a digital culture, leverage internal expertise to reduce impacts of interactions with ecosystems and to drive overall ESG initiative success. During 2021 Wilson Sons completed the Standard and Poor's ESG Rating and ranked in the second quartile. As part of this exercise, Wilson Sons has prioritized the following aspects in driving and measuring environmental sustainability:

- Emissions and Climate Change
- Energy Usage
- Waste and Water Resources Usage
- Impact on marine eco-systems

As a way to reduce the impact of operating activities on the environment, Wilson Sons has been identifying opportunities for decarbonisation of its energy matrix. Since 2014, Wilson Sons has maintained a commitment to proactively publish its Greenhouse Gas Emissions Inventory (GHG) in the public

emissions registry, a platform managed by the Brazilian GHG Protocol Programme. In 2021, Wilson Sons was awarded the Gold Seal of the GHG Protocol inventory. Wilson Sons has replaced diesel operated cranes with electric cranes and estimate a reduction of about 35% in operational carbon

intensity (kgCO2 / TEU) with the electrification of ten cranes. Additionally, the towage operations centre for Wilson Sons reduced the use of maritime fuel with the optimisation of navigation routes.

Greenhouse gas emissions

GHG Emissions - Scope 1	Unit	2021	2020	2019
Container Terminals	tCO2e	7,208.94	7,847.90	9,751.34
Towage	tCO2e	53,364.03	47,650.22	39,554.55
Others	tCO2e	1,882.27	1,010.48	1,453.55
Total	tCO2e	62,455.24	56,508.60	50,759.44
GHG Emissions - Scope 2	Unit	2021	2020	2019
Container Terminals	tCO2e	2,678.96	1,573.30	1,826.64
Towage	tCO2e	90.98	86.21	94.18
Others	tCO2e	398.24	252.68	419.76
Total	tCO2e	3,168.18	1,912.19	2,340.58

The towage division represents, on average, about 80% of Wilson Sons' emissions. Currently, the fleet uses Diesel Marine Oil (DMA) in its propulsion systems. In 2021, there was an increase of 10.5% in Scope 1 emissions due to the significant growth in the total of special operations (29%), the greater need for vessel displacement between the operational units and the number of maneuvers performed. Although accounted for, fuel consumption during vessel transfers between units is not part of the maneuver operational activity.

There was an increase of around 25% in electricity consumption at the container terminals, due to the longer stay of customers' reefer containers at the terminals. In Rio Grande, this length was around 12 days, longer than the historical average of 7 to 8 days. This pattern of change was observed during the COVID-19 pandemic when there was a backlog of vessels in all ports worldwide, as well as a shortage of empty containers and an increase in the value of international freight. The operational carbon intensity in TEU movement also increased by about 22%. This metric does not include the length of container dwell time, a parameter that became relevant in the pandemic and should be considered to improve future performance analysis.

In addition to container terminal and towage activities, shipyards produced increases in carbon emissions year over year, with an increase of 594 tCO2e. This is due to 22 dockings in 2021, a 29% increase over 2020 which was artificially low due to Covid. The construction of two tugboats was also initiated in 2021 compared to 2020 when the pandemic halted construction and only docking operations were maintained.

Wilson Sons full disclosure of environmental metrics can be found in their 2021 Sustainability Report at www.wilsonsons.com.br.

The Group reports on its environmental initiatives, emissions and TCFD compliance in its TCFD report on page 34.

Social

Safety

When considering the "Social" aspect of ESG, the Board is focused on the Health and Safety of its workforce in Brazil as it is of fundamental importance to incorporate our employees' safety in our corporate values. We measure our Health and Safety using lost-time injury frequency rate ("LTIFR"). In 2021 the LTIFR rate was 0.63 compared to 2020 of 0.42. The international benchmark is 0.5. Safety performance is continuously monitored to further improve safe work practices, develop annual safety training plans and to prevent future accidents in order to improve the LTIFR rate to meet or exceed the international benchmark.

Corporate Giving and Sponsorship

Ocean Wilsons and Wilson Sons both have corporate giving programs within the communities they operate. Ocean Wilsons' Charitable Giving Policy was approved in 2021 with several Bermuda charities being considered to receive a donation in 2022. Wilson Sons continues to support several local charities and causes in Brazil. Donations for the year totalled US\$0.7 million, in addition to a corporate volunteer program.

Corporate Governance

The Board has put in place corporate governance arrangements that it believes are appropriate for the operation of the Company. The Board has considered the principles and recommendations of the 2018 UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council (available on the FRC website www.frc.org.uk) and applies those aspects which they believe are appropriate to the business. This reflects the fact that Ocean Wilsons Holdings Limited is an investment holding company incorporated by an act of parliament in Bermuda with significant operations in Brazil. The Company complies with the Code where it is appropriate for its business to do so and has done so throughout the year and up to the date of this report except, as noted within this report, where it does not fully comply with the Code. These arrangements are regularly reviewed and monitored by the Board. The areas where Ocean Wilsons Holdings Limited does not comply with the 2018 UK Corporate Governance Code and the rationale for not complying are as follows:

 The Code states that the chair should not remain in their post beyond nine years from the date of their first appointment to the Board.

The current Chairman, Mr. J F Gouvêa Vieira, was first

appointed to the Board in 1991 and made Chairman of the Board in 1999. Due to the Company's significant investment in Wilson Sons, the Board considered it important that Mr. Gouvêa Vieira continued as Chairman in 2021. His insights and knowledge in relation to Wilson Sons and Brazil through his long association with the Group has been a valuable resource in managing and understanding our Brazilian business.

At the conclusion of the May 2022 AGM, Mr. J F Gouvêa Vieira will retire as Chairman and Director of the Company. The Board, led by the Nomination Committee, proposes to appoint Ms. C Foulger as the successor for Chair.

The Board assesses and monitors the corporate culture of the Group by receiving periodic reports from Wilson Sons, management on the Brazilian business including corporate governance, health, safety, ethics and legal updates and ensure results are consistent with the Group's values. Further details are provided in each section of this report. The Board has not undertaken a formal cultural assessment and is considering performing one in the near future.

Conflicts of Interest

The Board has in place a procedure for the consideration and authorisation of conflicts or possible conflicts of interest with the Company's interests annually including those resulting from significant shareholdings. If a director has a conflict of interest, he/she leaves the meeting prior to discussion unless requested to remain and leaves determination of such matters to the other directors. The Board ensures that the influence of third parties does not compromise or override independent judgement by requiring disclosure of outside interests, encouraging a culture of openness and debate amongst Board members and promoting independent thought.

Board and Committee Evaluations

The Board undertakes an annual formal performance evaluation of the Board, its committees and individual directors. The process involves completion of internally prepared questionnaires. The Chair discusses their responses with each Director and then reports verbally the results of the process to the Board. The Board discusses the results highlighting any areas for improvement. The conclusion of the 2021 performance evaluation was that the Board and its committees are operating effectively. The evaluation identified additional site visits to Brazil for the newest Directors and the Chief Operating and Financial Officer in 2022 when Covid-19 travel restrictions have

eased to ensure that they receive training on the various operations of Wilson Sons. In the place of in-person training, the new Directors and management received training utilizing video conferencing.

The Board regularly assesses Board performance evaluation procedures and modified the 2021 evaluation survey to include more assessment on longer-term strategy, governance and independent thinking.

Board Diversity Policy

The Board considers diversity, including the balance of skills, ethnicity, diversity of background and gender, amongst many other factors, when reviewing the appointment of new directors. The Board has not set specific targets for gender diversity but considers this in making new Board appointments. The current composition of the Board is two women and four men. During 2021 the Board appointed a new female management member to the position of Chief Operating and Financial Officer.

Taskforce on Climate Related Financial Disclosures ("TCFD")

Below is detailed OWHL first TCFD aligned disclosures in accordance with FCA requirements of Premium Listed UK corporates. The Company has provided responses across the TCFD's pillars and aims to advance the maturity of its climate-related actions and disclosures on an annual basis.

The Board is responsible for the system of internal control to ensure strong corporate governance. In addition, the Audit and Risk Committee assists the Board in monitoring the effectiveness of these internal controls and risk management policies. Committee meetings are used to assess the Group's risk exposure, opportunities, and mitigation, including that of subsidiaries. The Committee met six times in 2021, with the Chief Operating and Financial Officer attending each meeting.

OWHL is structured as a holding company. As such, climate-related risks and opportunities arise at the level of its subsidiary companies. The actions taken to address these risks and opportunities, are also undertaken at this subsidiary investment level. OWHL has reflected this in the structure of its TCFD statement, which first outlines OWHL's governance of Wilson Sons and OWIL, followed by granular TCFD disclosures for the subsidiaries themselves.

OWHL shares three common Board members with Wilson Sons. OWHL Directors attend quarterly Wilson Sons' board meetings for updates on operational activities and management issues, which includes climate-related risks. OWHL also has oversight over OWIL. They share the same directors and quarterly meetings are held with the portfolio Investment Manager. Here, updates on fund performance, asset allocation, ESG status, and progress in becoming a signatory to the UN PRI, are shared.

The below table describes Wilson Sons' climate-related risks, opportunities, and risk mitigation actions.

Governance

Disclosure

The Board's oversight of climate-related risks and opportunities

Wilson Sons' board has ultimate oversight and accountability for ESG strategy and performance for the company, which includes the approach and actions taken in relation to climate-related issues. The Board is updated on climate-related issues via a report from the climate change Executive Risk Owner on an annual basis and they are discussed as part of quarterly Board meetings where appropriate. This ensures oversight and accountability across all programmes and policies. Climate-related issues are considered when reviewing budgets and capital expenditures, particularly with regard to innovation opportunities and the purchase of capital goods.

While ultimate accountability for risk governance sits with the Board, the OWHL's management and Audit and Risk Committee assist in risk oversight as part of Wilson Sons' risk management process. This ensures that policies and practices are aligned with OWHL ambitions and disclosure requirements on climate-related issues.

Management's role in assessing and managing climate-related risks and opportunities

Primary responsibility for oversight of climate-related strategy implementation sits with the climate Executive Risk Owner, the Head of Health, Safety, Environment and Sustainability. Implementation and risk management is then delivered at the functional level, with mitigation actions assigned to relevant functions. For example, physical risks to offices are overseen by real estate and facilities management teams and reported back through Integrated Risk Management and Environmental and Health & Safety areas. If climate-related risks reach a certain threshold of risk and likelihood, then they are also escalated to Wilson Sons' executives or board by the relevant function.

Strategy and Risk Management

Disclosure

The Group's processes for identifying and assessing climate-related risks Wilson Sons' risk governance and management processes are detailed within Wilson Sons' Sustainability Report. During the year, Wilson Sons assessed and evaluated risks relating to climate change as part of the review cycle, and they were discussed by the Wilson Sons Executive and the Wilson Sons Audit Committee. Risks evaluated include those related to existing and emerging regulatory requirements, as well as other transition and physical risks.

In addition, a sustainability focused materiality assessment assessed climate change as a risk for Wilsons Sons and its stakeholders. This materiality assessment utilised the methodology employed by Fundação Dom Cabral (FDC) to identify and prioritise climate-related risk. It is based on internal and external interviews, in addition to analysis of stakeholder statements to determine the relative internal and external importance of sustainability issues.

How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Climate-related risks have been identified as a risk for Wilson Sons and are therefore embedded into a central Integrated Risk Management framework (see Wilson Sons' Sustainability Report). Within that framework, risks will be monitored by the Wilson Sons Executive and Audit Committee to ensure they are embedded in strategic decision-making. On a more granular level, climate-related risks are then communicated and actioned either as standalone risks or assessed and mitigated as part of existing or emerging adjacent risks within the framework.

The Group's processes for managing climate-related risks

Wilson Sons' process for managing climate related risk is grounded in its emissions monitoring work, which includes GHG emissions, tide and ocean data, as well as market movements and impacts suffered by clients. This intelligence enables Wilson Sons to mitigate potential risks and identify opportunities, particularly in the reduction of its direct emissions. Wilson Sons continues to adopt advancing technologies to reduce its GHG emissions as a result. Examples include updating conventional platform supply vessels to more efficient diesel-electric systems, using rubber-tyred gantry electric yard cranes with lower environmental impact in container terminals, and expanding Towage Operations Centre, enabling the reduction of fuel consumption by optimising vessel operations.

The climate-related risks and opportunities the Group has identified over the short, medium and long term

The impact of climaterelated risks and opportunities on the Group's business(es), strategy and financial planning The below table details Wilson Sons' key climate-related risks. Risks have been categorised in alignment with the TCFD recommendations. Climate-related risks were considered across the categories of policy and legal, technology, market, and reputation, alongside acute and chronic physical risks. Time horizons have been defined by Wilson Sons as short term (< 3 years), medium term (3-10 years), and long term (> 10 years). The Group notes that while climate-related risks are considered as part of Wilson Sons' financial planning, particularly in consideration of the useful lifetime of assets and infrastructure, this is Wilsons Sons' first TCFD disclosure. This means that in future years Wilson Sons aims to explore the financial materiality of identified risks in greater detail.

In addition to risk, Wilson Sons has identified several linked climate-related opportunities relevant to the business. These include:

- Increased demand from cargo owners seeking alternatives to road haulage and airfreight as part of lower-carbon supply chains.
- b. Potential for increased transport volume of decarbonisation-related cargoes, such as solar panels and wind turbines.
- Finally, Wilson Sons could position itself as the partner of choice for customers through best practice disclosure and action a decarbonisation strategy.

Risk Title	Risk Category	Risk Description	Impact
Changes in precipitation patterns	Physical: Chronic	Rising and increasing variability of mean temperatures resulting in altered precipitation patterns. Timeframe: Short- term Likelihood: High Impact: Moderate	Climate-related alterations in precipitation patterns are expected to negatively impact Brazilian agricultural production over the medium to long-term. Wilson Sons' customers transport significant volumes of agricultural cargo from Brazil, and as such, adverse climate effects on agricultural output could result in decreased demand for Wilson Sons' services over this time horizon. In addition, Brazil's energy matrix relies on a high proportion of hydroelectric power. Reduced precipitation could negatively affect the industrial production of our clients or our operations.
Increase in extreme weather events	Physical: Acute	Increased incidence and magnitude of extreme weather events. Timeframe: Medium-term Likelihood: High Impact: Moderate	The impact of extreme weather events could impact Wilson Sons in two ways. First, as identified above, Wilson Sons' revenues are sensitive to Brazilian trade volumes. Increasing incidence of extreme weather events has the potential to negatively impact Brazilian economic activity over the long-term, and as such demand for Wilson Sons' services could decrease. Second, Wilson Sons' operations could be directly impacted by storms and flooding, for instance through loss of equipment and load, as well as damages to infrastructure.
Rising sea levels	Physical: Acute / Chronic	Rising sea levels result in significant damage, disruption, and mitigation costs to Brazilian port infrastructure. Timeframe: Long-term Likelihood: Moderate Impact: Moderate	Ports and connecting coastal transport infrastructure are exposed to rising mean sea levels as well as potential increases in the frequency/intensity of extreme sea levels (ESLs) due to storm surges. The potential impacts of such events include damage to port infrastructure and increase operational halts. This has potential financial implications for Wilson Sons and its customers.
Changes in energy mix	Transition: Market and Technology	Declining oil trade volumes as a result of policy action and/ or changing consumer demand. Timeframe: Long-term Likelihood: Moderate Impact: Moderate	Over the long-term world crude oil demand could plateau and then reduce due to the progress of low-carbon forms of energy production in response to policy and/or consumer demand. Transport volume of carbon-related cargo is likely to decrease in step with a reduced demand for Brazilian crude oil exports and extraction with potential reductions in demand for Wilson Sons' services during this period.
Reinforcement of regulation	Transition: Policy and Compliance	Governments legislate for stronger climate action from shipping and logistics industries. Timeframe: Medium-term Likelihood: Moderate Impact: Moderate	Environmental regulation on shipping and logistics may become more stringent with associated impacts for Wilson Sons. First, the Group notes that the International Maritime Organisation's initial GHG strategy envisages a reduction in carbon intensity of international shipping by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008. This is likely to impact Wilson Sons and its customers via costs associated with reducing the carbon-intensity of operations. That said, Wilson Sons also expects some of these costs to be offset by operational efficiency savings. In addition, Wilson Sons recognises the risks associated with the introduction of a carbon tax over the medium to long-term. This would also increase costs associated with Wilson Sons and its customers' operations.

Risk Title	Risk Category	Risk Description	Impact
External pressure for decarbonisation	Transition: Reputational	External pressure for decarbonization from business customers.	Wilson Sons customers may increasingly value working with logistics providers with lower absolute GHG emissions as a result of their own Scope 3 decarbonisation targets.
		Timeframe: Long-term Likelihood: Moderate Impact: Moderate	For Wilson Sons, increasing requirements to decarbonise operations could result in costs, for example via the introduction of alternative-fuel powered vessels.

Metrics and Targets	Disclosure
Metrics used by the Group to assess climate-related risks and opportunities	Commitment to the ongoing tracking and monitoring of climate-relevant metrics facilitates the effective management of climate-related risks and opportunities. The key metrics include those related to emissions, energy and water consumption, and solid waste disposal. All metrics are disclosed in Wilson Sons' Sustainability Report at www.wilsonsons.com.br.
Scope 1, Scope 2 and Scope 3 greenhouse ('GHG') emissions, and the related risks	The Company's Scope 1 and 2 emissions are summarised within the table on page 32, detailing comparative years where available. Wilson Sons' good practice in this area was recognised with the Gold Seal from the GHG Protocol Program in 2021.
Targets used by the Group to manage climate-related risks and opportunities and performance against targets	As part of the Wilson Sons' roadmap development, a timeline to the disclosure of decarbonisation targets will also be published in the Ocean Wilsons 2022 Annual Report.

The below table describes OWIL's climate-related risks, opportunities, and risk mitigation actions.

Governance	Disclosure
The Board's oversight of climate-related risks and opportunities	The Board of OWHL, through its 100% subsidiary OWIL, holds ultimate accountability for responsible investing, and within that, climate-related issues for this subsidiary. In this instance the OWIL Board shares the same directors as OWHL. The OWIL Board are updated on the performance of the portfolio in quarterly meetings, where information on climate-related risks and opportunities is also reviewed.
	OWIL appointed HAML as its Investment Manager in November 2000. Importantly, the portfolio is structured as a fund-of-funds and therefore engagement with the managers of selected underlying fund investments is required to appropriately influence climate-related issues. In this regard, the HAML Group has discussed its ESG views with the managers of the underlying investments of the Company as part of its ongoing due diligence process.
Management's role in assessing and managing climate-related risks and opportunities	As part of their regular due diligence processes, which are applied to both new and existing investments of the Company, the HAML Group discusses ESG related issues with the managers of the Company's underlying investments. The Directors of OWIL regularly meet with representatives of the HAML Group and, as part of those meetings, ESG issues and points of interest are discussed including feedback relating to the underlying portfolio of investments.

Strategy and Risk Management	Disclosure
The Group's processes for identifying and assessing climate-related risks	This year, climate-related risks were identified with support from a specialist ESG consultancy. Risks were identified on a qualitative basis of impact and likelihood of risk materialisation. Risks evaluated include those related to existing and emerging regulatory requirements, as well as other transition and physical risks. More broadly, the HAML Group's responsible investing policy aims to support a long-term and responsible approach to investment to reduce and manage long-term risk.
The Group's processes for managing climate-related risks	ESG due diligence requirements and considerations reduce the initial climate-related risk of the portfolio. Subsequent to this, engagement processes and divestment options provide mechanisms for reducing the climate-related risks present in the existing portfolio. HAML Group continue engaging with the underlying fund managers to understand the ESG related risks within their funds. A full review has been completed of all current investments to ensure they are consistent with the HAML Group's responsible investing policy, and this review will also be ongoing as policies develop. In addition, the HAML Group will become a signatory for the internationally recognized UN PRI to demonstrate their and our commitment to responsible investment. This will ensure that climate risk has been identified and actively managed in order to reduce the exposure of the portfolio.
	Finally, the HAML Group are continually upskilling in ESG, to better assess and manage climate-related risks and opportunities in the future. Investment team members have exposure to ESG related matters through training courses, investment due diligence and relevant forums and bodies to ensure they remain up to date on best practice.
Resilience of the Group's strategy, taking into consideration different climate-related scenarios	This is the first year of TCFD aligned disclosures related to OWIL, as such the focus has been identifying risks and opportunities, in the context of Hansa's broader responsible investing policy. Given this focus, alongside considered relatively low exposure in the medium-term to climate-related risk scenario analysis is not considered a priority for the OWIL portfolio.
The climate-related risks and opportunities the Group has identified over the short, medium and long term The impact of climate-related risks and opportunities on the Group's business(es), strategy and financial planning	The below table details OWIL's key climate-related risks. Risks have been categorised in alignment with the TCFD recommendations. Climate-related risks were considered across the categories of policy and legal, technology, market, and reputation, alongside acute and chronic physical risks. Time horizons have been defined by the Company as short term (< 3 years), medium term (3-10 years), and long term (> 10 years). This is the Company's first TCFD disclosure, and in future years the Company aims to explore the financial materiality of identified risks in greater detail.

Risk Title	Risk Category	Risk Description	Impact		
Physical impacts of extreme climate phenomena	Physical: Acute / Chronic	Impacts of increased incidence and magnitude of extreme weather events across sectors. Timeframe: Medium-term Likelihood: High Impact: Low	As the consequences of extreme weather events becomore severe over the long-term, economic disruption is lik to accelerate, with impacts across geographic locations, supchains, and sectors. However, we recognise the risk to OWIL is likely to be limited ue to the diversification of the portfolio and ability to divers		
Policy Risk	Transition: Policy and Regulation	Climate policy and regulation increases costs and reduces business profitability. Timeframe: Medium-term Likelihood: Moderate	Legal and regulatory change is likely to affect social licence to operate, supply chains, or management practices, particularly in exposed sectors and regions. Investment managers could be impacted in several ways: Companies may face higher costs in proving compliance with more stringent regulations, reducing their profitability and		
		Impact: Low	valuations. Investment managers might then face higher costs in order to prove compliance with regulation, including ESG reporting, metrics, and due diligence.		
			Increased risk of obsolescence and stranded assets due to regulatory changes, again particularly in exposed sectors, for instance energy and extractives.		
Climate- related technological Disruption	Transition: Technology	Potential for technological disruption within exposed sectors. Timeframe: Medium / long-term Likelihood: Moderate Impact: Low	Emerging technology and innovative business models are expected to provide widespread disruption across a range of sectors as they transition towards more sustainable models, for instance as currently observed in the automotive sector. This has negative implications for legacy companies and increases risk of stranded assets within the portfolio.		
Changing market dynamics	Transition: Market	Impacts associated with consumer demand-based market transformation.	In some, particularly exposed markets, this may result in obsolescence and stranded assets across a range of assets, products, and geographies.		
	Timeframe: Medium / long-term Likelihood: High Impact: Low		Again, this has implications for the performance of the portfolio over the medium to long-term, with expected risk reduction as a result of investment diversification.		
		B: 1			
Metrics and Targets		Disclosure			
Metrics and targets pillar disclosures		Given its position as a fund-of-funds, collection of the relevant data and using this as the basis of decarbonisation targets presents transitional challenges. However, year the HAML Group aims to explore the feasibility of collecting climate-related with fund managers. This will provide the organisation with a stronger understanding data availability, and therefore a timeline to the disclosure of this information.			

Going Concern

The Group has considerable financial resources including US\$28.6 million in cash and cash equivalents at year end and the Group's borrowings have a long maturity profile. The Group's business activities together with the factors likely to affect its future development and performance are set out in the Chairman's Statement, Financial Report, Investment Manager's Report and Wilson Sons' Management Report. The financial position, cash flows and borrowings of the Group are set out in the Financial Report. In addition, note 31 to the consolidated financial statements includes details of its financial instruments and its exposure to credit risk and liquidity risk. Details of the Group's borrowings are set out in note 21 to the consolidated financial statements.

The Group closely monitors and manages its liquidity risk and does so in a manner that reflects its structure, of two distinct businesses, being the parent company along with Ocean Wilsons (Investments) Limited, and Wilson Sons Limited. In performing its going concern assessment, the Board considered the 15-month period to 31 March 2023.

Ocean Wilsons Holdings Limited and Ocean Wilsons (Investments) Limited

Ocean Wilsons and Ocean Wilson (Investments) Limited have combined cash and cash equivalents of US\$4.9 million and further highly liquid investments of US\$113.9 million as at 31 December 2021. They have no debts but have made commitments in respect of investment subscriptions amounting to US\$43.2 million, for which details are provided in note 11 to the consolidated financial statements. The timing of the investment commitments may be accelerated or delayed, however, the highly liquid investments held are significantly in excess of the commitments. Neither Ocean Wilsons, nor Ocean Wilsons (Investments) Limited have made any commitments or have obligations towards Wilsons Sons and its subsidiaries and their creditors or lenders. Therefore, in the unlikely circumstance that Wilsons Sons was to encounter financial difficulty, the parent company and its subsidiary have no obligations to provide support and have sufficient cash and other liquid resources to continue as a going concern on a standalone basis.

Wilson Sons Limited

Wilson Sons has cash and cash equivalents of US\$23.6 million and further highly liquid investments of US\$43.3 million. All of the debt, as set out in note 21 to the consolidated financial statements, and all of the lease liabilities, as set out in note 16 to the consolidated financial statements, relate to Wilson Sons and have a long maturity profile. The debt held by Wilson Sons is subject to covenant compliance tests as summarised in note 21 to the consolidated financial statements, which were in compliance at 31 December 2021 and are forecast to be complied with throughout the forecast period.

The covenants are most sensitive to changes in EBITDA, debt service costs and asset values. Management and the Audit and Risk Committee reviewed Wilson Sons' 15-month forecasts for the financial year 2022 and the first quarter of 2023 which included analysis of cash flows and loan covenant compliance for the forecasting period. Budgets are compared with prior period actual results and previous forecasts to identify variances and understand the drivers of the changes and their future impact so as to allow management to take action as appropriate. Additional market analysis is performed to corroborate other key assumptions underpinning the forecasts. In preparing the forecasts consideration has been given to the commitments Wilson Sons has to its joint ventures in respect of their loan agreements as set out in note 14 to the consolidated financial statements and possible cash outflows these may give rise to, should the joint ventures breach their loan covenants.

reverse stress tested to understand the headroom available before a covenant breach occurs or liquidity is exhausted. Consideration was then given as to whether the principal risks attributable to Wilsons Sons would give rise to severe downside scenarios that could cause loan covenant breaches or exhausting of liquidity, such as significant reductions in revenues. The possibility of these scenarios happening are considered remote when contemplating Wilson Sons' financial performance during Brazil's economic crisis in 2015 and 2016 and in the Covid-19 pandemic in 2020 and given the outlook for the global and Brazilian economies in 2021 and beyond. The potential impact of both the Russia/ Ukraine conflict and Covid-19 have been considered as part of the going concern assessment. Whilst the going concern assessment does not indicate it will be necessary, should it

Cash flow and loan covenant compliance forecasts were then

be required, Wilson Sons has the ability to delay or cancel forecast capital expenditure in order to manage liquidity and or loan covenant compliance.

This assessment confirmed that 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 during the going concern forecast period. 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 annual report and accounts.

Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three-year period to 31 December 2024, taking into account the Group's current position and potential impact of the principal risks and uncertainties. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2024.

Whilst the Directors have no reason to believe the Company will not be viable over a longer period, given the uncertainties involved in longer term forecasting the Directors have determined that a three-year period to 31 December 2024 is an appropriate period over which to provide its viability statement. The three-year period also aligns with the rolling three-year investment portfolio performance benchmark.

In making the assessment, the Directors have considered a number of factors that affect the Group, including the principal risks and mitigating factors. The Directors also took into account that the Group has two distinct and separate investments and there is no recourse between them.

Wilson Sons Limited

The assessment considered that the Wilson Sons business model has proven to be strong in the long term with a range of businesses that have consistently demonstrated their ability to trade. Operational activities are funded by cash generated from operations while the Wilson Sons borrowings are used to finance capital expenditure. The Wilson Sons borrowings are generally long-term with defined repayment schedules repayable over different periods up to 18 years. There is no recourse from Wilson Sons to the Company or Ocean Wilsons (Investments) Limited in respect of Wilson Sons' borrowings. Wilson Sons is not reliant on one customer: its largest customer constituted approximately 11.4% of their IFRS revenue in 2021. The largest customer is served by seven different businesses in the Group. In addition, Wilson Sons has opportunities to mitigate any adverse impacts given the flexible cost base of some of their businesses.

Ocean Wilsons (Investments) Limited

In making the assessment for the investment portfolio, the Board has considered matters such as significant stock market volatility, changes in exchange rate and a significant reduction in the liquidity of the portfolio. The investment portfolio and cash under management at 31 December 2021 was US\$351.8 million with outstanding capital commitments of US\$43.2 million and no external debt. At 31 December 2021 the investment portfolio had US\$2.2 million in cash and cash equivalents and daily liquidity of \$113.9 million. This available liquidity covers more than 250% of the capital commitment in a reasonable time frame on the remote chance that there was a need to fund all of commitments at one time.

The Directors' assessment is that if severe but plausible downside scenarios were to crystallize, many of the individual risks disclosed would be likely to be confined to either Wilson Sons or Ocean Wilsons (Investments) Limited. The risk is to the Group's net asset valuation rather than to the viability of the Group.

Directors' Responsibility Statement

The Directors are responsible for preparing the annual report in accordance with applicable laws and regulations.

Each of the Directors, whose names and functions are listed in the Board of Directors section of this report, confirms that, to the best of his/her knowledge:

 the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces;

- the consolidated financial statements, prepared in accordance with IFRS, present fairly, in all material respects, the assets, liabilities, financial position and profit or loss of the Company and, taken as a whole, are in compliance with the requirements set out in the Bermuda Companies Act 1981 (as amended);
- the Chair's statement, Director's report, Investment Manager's report and Wilson Sons' Management Report, include a fair review of the information as required; and
- the Annual Report and consolidated financial statements, taken as a whole, provide the information necessary to assess the Company's position and performance, business model and strategy, and is fair, balanced and understandable.

By Order of the Board

Fergus McAleavey Company Secretary

23 March 2022

Consolidated **Financial Statements**



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Ocean Wilsons Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Ocean Wilsons Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



The key audit matter How the matter was addressed in our audit Unbilled revenue We walked through and understood the controls (2021: US\$13.5m; 2020: US\$10.7m) designed and implemented by the Group related to unbilled revenue recognition, but we did not test the Revenue recognition is presumed by auditing standards to operating effectiveness of the controls; be a fraud risk area, therefore we determined that this is a We evaluated the accounting policies applied in the key audit matter. For the risk of fictitious revenues recognition of unbilled revenue in accordance with the recognition we have focused specifically on unbilled principles of IFRS 15; revenue recognised for services rendered but not yet invoiced at year end, due to its significance and the manual We tested on a sample basis unbilled revenue to nature of the process. address the identified fraud risk by obtaining supporting documentation to evidence: the provision of the service, the value of the transaction and where applicable the subsequent invoicing and recovery of the unbilled revenue; We performed analytical procedures to identify and investigate unusual trading patterns which could indicate inappropriate revenue recognition; and We assessed the adequacy of the disclosures in the consolidated financial statements with regard to the requirements of IFRS 15.

The key audit matter

Risk of impairment of Brasco cash generating unit's (CGU) assets

(2021: US\$39.8m tangible assets, US\$7.2m intangible assets and US\$5.2m lease rights; 2020: US\$39.2m tangible assets, US\$7.4m intangible assets and US\$5.8m lease rights respectively)

Due to losses incurred by the CGU and the inherent uncertainty involved in forecasting and discounting future cash flows there is a risk that an impairment has not been recognised.

The recoverability of the CGU is dependent on management's estimates of the future cash flows that the CGU is expected to produce. The carrying value of the assets are particularly sensitive to changes in management's revenue growth and discount rates applied.

Due to the level of judgement required in determining the value in use there are inherent risks and uncertainties involved in forecasting and discounting future cash flows in this industry.

How the matter was addressed in our audit

- We walked through and understood the controls designed and implemented by the Group over the impairment review, but we did not test the operating effectiveness of the controls:
- We considered past cash flow projections and actual results subsequently achieved to assess management's forecasting track record to ascertain if there may be indicators of management bias or excessive optimism in forecasting cash flows;
- We obtained the Group's impairment model and tested its mathematical accuracy;
- We challenged the Group's determination of the projection period used;
- We performed independent research on forecasts for the oil and gas sector, globally and also for Brazil. We considered multiple sources of information including those published by oil and gas companies, industry organisations, and industry analysts. We challenged and evaluated management's forecasts in the context of this information:



- With regard to near team forecast cashflows which were based on specifically identified projects, tenders submitted and expected outcomes from such tenders, we inspected tender submissions, examined correspondence with potential customers, reviewed management's internal reporting with regard tender and sales pipeline reporting and reviewed press releases and other media published by prospective customers with regard their specific projects. We challenged and evaluated management's forecasts in the context of this information;
- We used our own valuation specialists to assist us in our impairment testing, including assessing the valuation methodology used by management, and challenging specific inputs into the determination of the discount rate with reference to independently sourced external data and benchmarks and in developing independently an appropriate discount rate;
- We identified those assumptions which are most sensitive to change and performed sensitivity analysis to ascertain what changes in assumptions could produce significantly different outcomes. In doing so we noted the future forecasted revenues, and the discount rate are the most sensitive assumptions. In doing so, we ascertained the extent of changes that individually, or in combination, would be required for Brasco's assets to be impaired; and
- We assessed the fairness, accuracy and completeness of disclosures required by IAS 36.



h and understood the controls
mented by the Group over claims ver, we did not test the operating controls; Ig of all current open claims and details of quantum, appointed and disclosed amounts; It erstanding from Group's in-house e basis for their judgements of the Verballenged the basis of those efference to the latest available action such as correspondence with all counsel on all significant legal cussions with them when further necessary; It expenses and Board of Directors possible litigation and claims that ed by the Group and disclosed to confirmations from the Group's all litigation cases and assessed ments in the context of these as settled or litigation concluded in langes in assessments for ongoing ar. We considered whether the leading to the fairness, accuracy and disclosures in the consolidated as required by IAS 37.



The key audit matter	How the matter was addressed in our audit
Fair value estimates – Level 3 investments (2021: US\$129.7m, 2020: US\$99.1m) Valuation of the level 3 investments requires significant judgements and estimates by management. Inappropriate selection of valuation methods, significant assumptions and significant data inputs used in determining these fair values could result in a material misstatement to the consolidated financial statements.	 We walked through and understood the controls designed and implemented by the Group over valuation of level 3 investments. However, we did not test the operating effectiveness of the controls; We read the accounting policy for investment valuation and assessed its compliance with accounting standards; We have tested the appropriateness of the valuation methodologies and techniques applied to all the level 3 investments including comparing them with the International Private Equity and Venture Capital Valuation Guidelines ('IPEV'); We obtained independent support to corroborate the stated values for all the level 3 investments. We also considered whether any changes had been made in
	 We considered the date of valuations, where these were not as of 31 December 2021. We performed procedures to ascertain if any significant changes in value might be expected where investments were valued at an interim date. We used our own valuation specialists to challenge management's assumptions used in determining the fair value of these investments, in the context of the IPEV valuation guidelines. We obtained independent confirmations of the existence and accuracy of the level 3 investments from counterparties; We also considered valuations received after the year end until the date of our opinion for such investments; and We assessed the fairness, accuracy and completeness of disclosures in the consolidated financial statements required by IFRS 7 and IFRS 9.



Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 12, 2021.

Other information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Except as described in the Report on Other Legal and Regulatory Requirements section of our report, our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SECTION FIVE - FINANCIALS



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the
 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in
 a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Corporate Governance Statement

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules of the UK Listing Authority for our review. We have nothing to report in this respect.

Disclosures of emerging and principal risks and longer term viability

We are required to review the Going Concern and Viability Statements, set out on pages 40 and 41 under the Listing Rules. Based on the knowledge we acquired during our audit of the consolidated financial statements, we have nothing material to add or draw attention to in relation to:



- the directors' confirmation within the longer-term viability statement on page 41 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Going Concern and Viability Statements of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our consolidated financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's longer-term viability. In addition, the above conclusions are not a guarantee that the Group will continue in operation.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders and Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders and Board of Directors those matters we are required to state to them in an auditor's report and the further matters we are required to state to them in accordance with the terms agreed with the Company and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders and Board of Directors, as a body, for our audit work, for this report, or for the opinion we have formed.

The Engagement Partner on the audit resulting in this independent auditor's report is James Berry.

Chartered Professional Accountants Hamilton, Bermuda

KPMG Audit Limited

March 23, 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

	Note	2021	2020
Sales of services	5	396,376	352,792
Raw materials and consumables used		(24,036)	(19,266)
Employee charges and benefits expense	6	(112,026)	(110,016)
Other operating expenses	7	(98,289)	(84,666)
Depreciation of owned assets	15	(46,631)	(47,793)
Depreciation of right-of-use assets	16	(12,063)	(10,706)
Amortisation of intangible assets	17	(2,718)	(2,824)
(Loss)/gain on disposal of property, plant and equipment and intangible a	essets	(499)	65
Foreign exchange losses on monetary items		(3,100)	(7,551)
Operating profit		97,014	70,035
Share of results of joint ventures	14	(5,029)	(4,142)
Returns on investment portfolio at fair value through profit or loss	5	49,474	33,383
Investment portfolio performance and management fees		(4,954)	(3,130)
Other investment income	5	4,113	1,644
Finance costs	8	(30,227)	(23,210)
Profit before tax		110,391	74,580
Tax expense	9	(27,925)	(26,577)
Profit for the year		82,466	48,003
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Post-employment benefits remeasurement	22	108	351
Items that will be or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(7,459)	(51,824)
Effective portion of changes in fair value of derivatives		158	(35)
Other comprehensive loss for the year		(7,193)	(51,508)
Total comprehensive income/(loss) for the year		75,273	(3,505)
Profit for the year attributable to:			
Equity holders of the Company		63,687	38,712
Non-controlling interests	27	18,779	9,291
		82,466	48,003
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		59,604	9,064
Non-controlling interests	27	15,669	(12,569)
		75,273	(3,505)
Earnings per share:		100.1	100 -
Basic and diluted	29	180.1c	109.5c

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 (Expressed in thousands of US Dollars)

	Note	2021	2020
Current assets	10	28,565	63,255
Cash and cash equivalents Financial assets at fair value through profit and loss	11		
.		392,931	347,464
Recoverable taxes	9	25,380	22,479
Trade and other receivables	12	59,350	47,807
Inventories	13	12,297	11,764
Non-current assets		518,523	492,769
Other trade receivables	12	1 500	9
		1,580	
Related party loans receivable	24	10,784	30,460
Other non-current assets	23	3,582	4,905
Recoverable taxes	9	12,816	11,006
Investment in joint ventures	14	61,553	26,185
Deferred tax assets	9	22,332	29,716
Property, plant and equipment	15	563,055	579,138
Right-of-use assets	16	157,869	149,278
Other intangible assets	17	14,981	16,967
Goodwill	18	13,272	13,429
		861,824	861,093
Total assets		1,380,347	1,353,862
0 17 1777			
Current liabilities	0.0	(50.510)	(41.000)
Trade and other payables	20	(58,513)	(41,066)
Tax liabilities	9	(8,057)	(6,346)
Lease liabilities	16	(19,449)	(18,192)
Bank overdrafts and loans	21	(45,287)	(58,672)
		(131,306)	(124,276)
Net current assets		387,217	368,493
Non-current liabilities			
Bank loans	21	(256,312)	(283,989)
Post-employment benefits	22	(1,562)	(1,641)
Deferred tax liabilities	9	(50,194)	(50,987)
Provisions for legal claims	23	(8,907)	(9,560)
Lease liabilities	16	(148,394)	(139,702)
Louis nabilities	10	(465,369)	(485,879)
Total liabilities		(596,675)	(610,155)
Capital and reserves			
Share capital	25	11,390	11,390
Retained earnings		678,006	635,987
Translation and hedging reserve		(95,739)	(91,595)
Equity attributable to equity holders of the Company		593,657	555,782
Non-controlling interests	27	190,015	187,925

Signed on behalf of the Board

F. Beck Director

A. Berzins Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021 (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 2020	11,390	620,151	(61,748)	569,793	216,067	785,860
Currency translation adjustment	-	-	(29,827)	(29,827)	(21,997)	(51,824)
Post-employment benefits (note 22)	-	199	-	199	152	351
Effective portion of changes in fair value of derivatives	-	-	(20)	(20)	(15)	(35)
Profit for the year	-	38,712	-	38,712	9,291	48,003
Total comprehensive income/(loss) for the year	-	38,911	(29,847)	9,064	(12,569)	(3,505)
Dividends (notes 27, 28)	_	(24,754)	-	(24,754)	(17,455)	(42,209)
Tax incentives	_	-	-	-	19	19
Share options exercised in subsidiary (note 26)	-	1,679	-	1,679	1,657	3,336
Share based payment expense (note 26)	-	-	-	-	206	206
Balance at 31 December 2020	11,390	635,987	(91,595)	555,782	187,925	743,707
Balance at 1 January 2021	11,390	635,987	(91,595)	555,782	187,925	743,707
Currency translation adjustment	-	-	(4,234)	(4,234)	(3,225)	(7,459)
Post-employment benefits (note 22)	-	61	-	61	47	108
Effective portion of changes in fair value of derivatives	-	-	90	90	68	158
Profit for the year	-	63,687	-	63,687	18,779	82,466
Total comprehensive income/(loss) for the year	-	63,748	(4,144)	59,604	15,669	75,273
Dividends (notes 27, 28)	_	(24,754)	_	(24,754)	(17,808)	(42,562)
Share options exercised in subsidiary (note 26)	-	3,025	-	3,025	3,860	6,885
Share based payment expense (note 26)	-	-	-	-	369	369
Balance at 31 December 2021	11,390	678,006	(95,739)	593,657	190,015	783,672

Hedging and translation reserve

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

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

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

	Notes	2021	2020
Operating activities			
Profit for the year		82,466	48,003
Adjustment for:			
Depreciation & amortisation	15,16,17	61,412	61,323
Loss/(gain) on disposal of property, plant and equipment and		499	(65)
intangible assets		499	(63)
Share of results of joint ventures	14	5,029	4,142
Returns on investment portfolio at fair value through profit or loss	5	(49,474)	(33,383)
Other investment income	5	(4,113)	(1,644)
Finance costs	8	30,227	23,210
Foreign exchange losses on monetary items	0.0	3,100	7,551
Share based payment expense	26	369	127
Post-employment benefits	22	136	134
Tax expense	9	27,925	26,577
Changes in:			
Inventories	13	(533)	(1,257)
Trade and other receivables	12, 24	(13,629)	8,141
Other current and non-current assets	9,23	(3,388)	22,565
Trade and other payables	20	19,158	(8,914)
Provisions for legal claims	23	(653)	1,030
Taxes paid		(27,256)	(29,137)
Interest paid		(25,161)	(22,703)
Net cash inflow from operating activities		106,114	105,700
Investing activities			
Income received from trading investments		5,700	5,076
Purchase of trading investments		(72,811)	(63,723)
Proceeds on disposal of trading investments		73,064	45,154
Purchase of property, plant and equipment	15	(47,352)	(58,360)
Proceeds on disposal of property, plant and equipment		304	1,259
Purchase of intangible assets	17	(1,375)	(1,085)
Proceeds on disposal of intangible assets		517	-
Investment in joint ventures	14	(20,016)	(23)
Net cash used in investing activities		(61,969)	(71,702)
Financing activities			
Dividends paid to equity holders of the Company	28	(24,754)	(24,754)
Dividends paid to non-controlling interests in subsidiary	27	(17,808)	(17,455)
Repayments of borrowings	21	(57,926)	(25,725)
Payments of lease liabilities	16	(8,473)	(6,345)
New bank loans drawn down	21	19,438	51,455
Issue of new shares in subsidiary under employee share option plan	26	6,885	3,336
Net cash used in financing activities		(82,638)	(19,488)
Net (decrease)/increase in cash and cash equivalents		(38,493)	14,510
Cash and cash equivalents at beginning of year		63,255	68,979
Effect of foreign exchange rate changes		3,803	(20,234)
Cash and cash equivalents at end of year		28,565	63,255

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

For the year ended 31 December 2021 (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 consolidated financial statements comprise the Company and its subsidiaries (the "Group").

These consolidated financial statements were approved by the Board 23 March 2022.

2 Significant accounting policies and critical accounting judgements

Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and are presented in US Dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Although the outbreak of the COVID-19 pandemic and the measures adopted by governments to mitigate its spread have impacted the Group, management continues to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that the going concern basis of accounting remains appropriate.

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments, share-based payments liabilities and defined health benefit plan liabilities that are measured at fair value.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of subsidiaries are prepared in accordance with the accounting policies set out in note 2. All intra-group transactions and balances are eliminated on consolidation.

Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Where a change in percentage of interests in a controlled entity does not result in a change of control, the difference between the consideration paid for the additional interest and the book value of the net assets in the subsidiary at the time of the transaction is taken directly to equity. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint arrangements Joint ventures

A joint venture is a contractual agreement where the Group has joint control and has rights to the net assets of the contractual arrangement, rather than being entitled to specific assets and liabilities arising from the agreement. Joint venture entities are accounted for using the equity method. After initial recognition at cost, these consolidated financial statements include the Group's share in the profit or loss and other comprehensive income of the joint venture until the date that significant influence or joint control ceases.

Joint operations

A joint operation is a contractual agreement where the Group and other parties undertake an economic activity that is subject to joint control, where the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. The joint operations' assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. The Group's share of the assets, liabilities, income and expenses of joint operation entities are combined with the equivalent items in these consolidated financial statements on a line-by-line basis.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Foreign currency

The functional currency of each entity of the Group is established as the currency of the primary economic environment in which it operates. Transactions other than those in the functional currency of the entity are translated at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on the settlement and on the translation of monetary items are included in profit or loss for the period.

On consolidation, the statement of profit or loss and comprehensive income of entities with a functional currency other than US Dollars are translated into US Dollars, at the average exchange rates for the period. Statement of financial position items are translated into US Dollars at the exchange rate at the reporting date. Exchange differences arising on consolidation of entities with functional currencies other than US Dollars are recognised in other comprehensive income and accumulated in the translation reserve, less the translation difference allocated to non-controlling interest.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business net of trade discounts and other sales related taxes.

Shipyard revenue

Revenue related to services and construction contracts is recognised throughout the period of the project when the work in proportion to the stage of completion of the transaction contracted has been performed.

Port terminals revenue

Revenue from providing container movement and associated services is recognised on the date that the services have been performed.

Offshore support base revenue

Revenue from providing vessel turnarounds is recognised on the date that the services have been performed.

Towage revenue

Revenue from towage services is recognised on the date that the services have been performed.

Ship agency and logistics revenues

Revenue from providing agency and logistics services is recognised when the agreed services have been performed.

Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share option plan

For equity settled share-based payment transactions, the Group measures the options granted, and the corresponding increase in equity, directly at the fair value of the option grant. Subsequent to initial recognition and measurement, the estimate of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied is revised during the vesting period. The cumulative amount recognised is based on the number of equity instruments for which the service and non-market related vesting conditions are expected to be satisfied. No adjustments are made in respect of market related vesting conditions.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

2 Significant accounting policies and critical accounting judgements (CONTINUED)

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined health benefit plans

The Group's net obligation regarding defined health benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees receive in return for their service in the current period and prior periods. That health benefit is discounted to determine its present value.

The calculation of the liability of the defined health benefit plan is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined health benefit obligation, which include actuarial gains and losses, are immediately recognised in other comprehensive income.

The Group determines the net interest expense on the net defined benefit liabilities for the period by multiplying them by the discount rate used to measure the defined health benefit obligations. Defined health benefit liabilities for the period take into account any changes during the period due to the payment of contributions and benefits. Net interest and other expenses related to defined health benefit plans are recognised in profit or loss.

When the benefits of a health plan are changed, the portion of the change in benefits relating to past services rendered by employees is recognised immediately in profit or loss. The Group recognised gains and losses on the settlement of a defined health benefit plan when settlement occurs.

Termination benefits

Termination benefits are recognised as an expense when the Group can no longer withdraw the offer of such benefits. If payments are settled after 12 months from the reporting date, then they are discounted to their present values.

Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense and the net gain or loss on the disposal on financial assets at fair value through profit or loss. Interest income or expense is recognised in profit or loss using the effective interest method.

Taxation

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax expense is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is generally recognised for all taxable temporary differences except for when the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Prior reductions are reversed when the probability of future taxable profits improves.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets current tax assets against current tax liabilities when these items are in the same entity and relate to taxes levied by the same taxation authority and the taxation authority permits the Company to make or receive a single net payment.

Financial instruments

Recognition and initial measurement

Trade and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments. Trade and other receivables are initially measured at the transaction price which reflects fair value. All other financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Classification and subsequent measurement

Management determines the classification of its financial instruments at the time of initial recognition. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Group's designation of such instruments.

Financial assets

A financial asset is classified as measured at amortised cost if it is not designated as at fair value through profit and loss and if it is held within a business model whose objective is to hold assets to collect contractual cash flows and if its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method, reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

A financial asset is classified as measured at fair value through other comprehensive income if it is not designated as at fair value through profit and loss and if it is held within a business model whose objective is to both hold assets to collect contractual cash flows and to sell financial assets, and if its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

A financial asset is classified as measured at fair value through profit and loss if it is not classified as measured at amortised cost or at fair value through other comprehensive income, or if it is designated as such by management on initial recognition. Financial assets held for trading are classified as measured at fair value through profit and loss. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio, how the performance of the portfolio is evaluated and reported to the Group's management and the risks that affect the performance of the business model and how those risks are managed. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument, including assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial liabilities

Financial liabilities are classified as at fair value through profit and loss when the financial liability is either held for trading or it is designated as such by management on initial recognition. These liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

2 Significant accounting policies and critical accounting judgements (CONTINUED)

Financial liabilities that are not classified as at fair value through profit and loss are classified as other financial liabilities and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The following summarises the classification the Group applies to each of its significant categories of financial instruments:

Category	Classification	
Trade and other receivables	Amortised cost	
Financial assets at fair value through profit and loss	At fair value through profit and loss	
Cash and cash equivalents	Amortised cost	
Trade and other payables	Other financial liabilities	
Bank overdraft and loans	Other financial liabilities	

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receive the contractual cash flows in a transaction in which the Group either substantially transfers all of the risks and rewards of ownership of the financial asset or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Hedge Accounting (Cash flow hedge)

The Company seeks to apply hedge accounting (cash flow hedge) to manage volatility in profit or loss. When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in other comprehensive income are transferred from equity and included in the measurement of the initial carrying amount of the asset or liability. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets measured at amortised cost, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Group is unlikely to receive the outstanding contractual amounts in full before. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment losses are recognised in profit and loss and reflected in an allowance account against trade and other receivables. If, in a subsequent period, an event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials, spare parts and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Property, plant and equipment

Property, plant and equipment is measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is recognised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write off the cost less the estimated residual value of items of property, plant and equipment, other than freehold land or assets under construction, over their estimated useful lives, using the straight-line method. Land is not depreciated, and assets under construction are not depreciated until they are transferred to the appropriate category of property, plant and equipment when the assets are ready for intended use. Depreciation is recognised in profit or loss.

The estimated useful life of the different categories of property, plant and equipment are as follows:

Freehold Buildings: 25 to 60 years

Leasehold Improvements: Lower of the rental period and useful life

Floating Craft: 25 years
Vehicles: 5 years
Plant and Equipment: 5 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leased assets

At inception of a contract, the Group assesses whether it is a lease or contains a lease component, which it is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, less any incentives received.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group applies the incremental borrowing rate. For a portfolio of leases with similar characteristics, lease liabilities are discounted using a single discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised. Variable lease payments not related to an index or rate are recognised in profit or loss as incurred.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

2 Significant accounting policies and critical accounting judgements (CONTINUED)

Right-of-use assets are depreciated using the straight-line method, from the lease commencement date to the earlier of the end of their useful life or the end of the lease term, over their expected useful lives, on the same basis as owned assets except when there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the right-of-use asset shall be fully depreciated over the shorter of the lease term and its useful life. Right-of-use assets are reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

Subsequent to the initial measurement, the carrying amount of the liability is reduced to reflect the lease payments made and increased to reflect the interest payable. If there is a change in the expected cash flows arising from an index or rate, the lease liability is recalculated. If the modification is related to a change in the amounts to be paid, the discount rate is not revised. Otherwise, if a modification is made to a lease, the Group revises the discount rate as if a new lease arrangement had been made.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is recognised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortisation is calculated to write off the cost less the estimated residual values of intangible assets, using the straight-line method. Amortisation is recognised in profit or loss.

The estimated useful life of the different category of intangible assets are as follows:

Concession rights: 10 to 33 years
Computer software: 3 to 5 years

The estimated useful life, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment losses. Goodwill is not amortised.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation.

Use of judgements and estimates

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, the following judgements, estimates and assumptions made by management have the most significant effect on the amounts recognised in these consolidated financial statements:

a. Provisions for tax, labour and civil risks - Judgement

Provisions for legal cases are made when the Group's management, together with their legal advisors, consider the probable outcome is a financial settlement against the Group. Provisions are measured at managements' best estimate of the expenditure required to settle the obligation based upon legal advice received. For labour claims, the provision is based on prior experience and management's best knowledge of the relevant facts and circumstances.

b. Impairment loss on non-financial assets - Judgement, estimates and assumptions

Impairment losses occur when book value of an asset or cash generating unit exceeds its recoverable value, which is the highest of fair value less selling costs and value in use. Calculation of fair value less selling costs is based on information available on similar assets' selling transactions or market prices less additional costs to dispose of the asset. The value-in-use calculation is based on the discounted cash flow model. The recoverable value of the cash-generating unit is defined as the higher of the fair value less sales costs and value in use.

c. Valuation of unquoted investments - Judgement and estimates

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Changes in significant accounting policies

Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

2 Significant accounting policies and critical accounting judgements (CONTINUED)

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted and the Group adopted the amendment for the year ending 31 December 2020, with an impact of US\$0.02 million in discounts obtained and US\$0.2 million in payment deferrals from 2020 to 2021.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Standards issued but not yet effective

A number of new or amended standards are effective for annual periods beginning after 31 December 2021 with early adoption permitted. The Group has elected to not adopt early the following new or amended standards, and is assessing their impact on the preparation of its consolidated financial statements.

- Reference to Conceptual Framework Amendments to IFRS 3, effective for periods beginning on or after 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use Amendments to IAS 16, effective for periods beginning on or after 1 January 2022
- Onerous Contracts Costs of Fulfilling a Contract Amendments to IAS 37, effective for periods beginning on or after 1 January 2022
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current, effective for periods beginning on or after 1 January 2023
- Amendments to IAS 8: Definition of Accounting Estimates, effective for periods beginning on or after 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, effective for periods beginning on or after 1 January 2023

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

3 Group composition

Ocean Wilsons has direct ownership in Ocean Wilsons (Investments) Limited and Wilson Sons Holdings Brasil S.A, which in turn has direct ownership in the towage, shipyard, ship agency, logistics, container terminal and offshore support bases subsidiaries. The effective ownership interest of Ocean Wilsons at the end of each reporting period is as follows:

	Place of		Ownership	interest
Subsidiaries	incorporation and operation	Segment	2021	2020
Investments				
Ocean Wilsons (Investments) Limited	Bermuda	Investment	100%	100%
Holding company				
Wilson Sons Limited ¹	Bermuda	Maritime service	NA	57.77%
Wilson Sons Holdings Brasil S.A. ¹	Brazil	Maritime service	56.88%	57.77%
Towage				
Saveiros, Camuyrano Serviços Marítimos S.A. ²	Brazil	Maritime service	_	57.77%
Shipyard				
Wilson Sons Shipping Services Ltda.	Brazil	Maritime service	56.88%	57.77%
Wilson Sons Estaleiros Ltda.	Brazil	Maritime service	56.88%	57.77%
Ship agency				
Wilson Sons Agência Marítima Ltda.	Brazil	Maritime service	56.88%	57.77%
Dock Market Soluções Ltda.	Brazil	Maritime service	56.88%	57.77%
Logistics				
Wilson Sons Terminais e Logística Ltda.	Brazil	Maritime service	56.88%	57.77%
EADI Santo André Terminais de Cargas Ltda.	Brazil	Maritime service	56.88%	57.77%
Allink Transportes Internacionais Ltda.	Brazil	Maritime service	56.88%	57.77%
Container terminal				
Wilport Operadores Portuários Ltda.	Brazil	Maritime service	56.88%	57.77%
Tecon Rio Grande S.A.	Brazil	Maritime service	56.88%	57.77%
Tecon Salvador S.A.	Brazil	Maritime service	56.88%	57.77%
Offshore support bases and towage				
Wilson Sons Serviços Marítimos Ltda	Brazil	Maritime service	56.88%	57.77%

⁽¹⁾ During the year ended 31 December 2021, Wilson Sons Limited (WSL) merged into Wilson Sons Holdings Brasil S.A. (WSSA), its controlled subsidiary. As all WSL shareholders received WSSA shares at the ratio of 1:1, the transaction had no impact on the Group composition or ownership interests.

The decrease in ownership interest from the year ended 31 December 2020 to 31 December 2021 is due to the exercise of share options in subsidiaries, for which the details are presented in note 26. The information on non-controlling interests is presented in note 27.

⁽²⁾ During the year ended 31 December 2021, Saveiros, Camuyrano Serviços Marítimos S.A. was merged into Wilson Sons Serviços Marítimos Ltda.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

4 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	Bermuda -		
For the year ended 31 December 2021	Services	Investment	Unallocated	Consolidated
Sale of services	396,376	_	_	396,376
Result	,			,
Segment result	103,488	(212)	(3,162)	100,114
Share of results of joint ventures	(5,029)	_	(0,102)	(5,029)
Return on investment portfolio at fair value through profit or loss	-	49,474	_	49,474
Investment portfolio performance and management fees	-	(4,954)	-	(4,954)
Other investment income	4,113	_	_	4,113
Finance costs	(30,227)	_	_	(30,227)
Foreign exchange losses on monetary items	(2,990)	(6)	(104)	(3,100)
Profit/(loss) before tax	69,355	44,302	(3,266)	110,391
Tax	(27,925)	-	-	(27,925)
Profit/(loss) after tax	41,430	44,302	(3,266)	82,466
Other information				
Capital additions	48,727	_	_	48,727
Right-of-use asset additions	7,718	_	_	7,718
Depreciation and amortisation	(61,412)	_	_	(61,412)
Statement of financial position				
Goodwill	13,272	_	_	13,272
Other intangible assets	14,981	_	_	14,981
Right-of-use assets	157,869	_	_	157,869
Property, plant and equipment	563,055	_	_	563,055
Investment in joint ventures	61,553	_	_	61,553
Related party loans	10,784	_	_	10,784
Other non-current assets	3,582	_	_	3,582
Other trade receivables	1,580	_	_	1,580
Total current assets	163,967	351,774	2,782	518,523
Segment assets	1,025,791	351,774	2,782	1,380,347
Segment liabilities	(594,218)	(2,211)	(246)	(596,675)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

For the year ended 31 December 2020	Brazil - Maritime Services	Bermuda - Investment	Unallocated	Consolidated
Sale of services	352,792	_	_	352,792
Result				
Segment result	80,279	(185)	(2,508)	77,586
Share of results of joint ventures	(4,142)	_	_	(4,142)
Return on investment portfolio at fair value	(', - '= '			(', - '-,
through profit or loss	_	33,383	_	33,383
Investment portfolio performance and				
management fees	_	(3,130)	_	(3,130)
Other investment income	1,644	_	_	1,644
Finance costs	(23,210)	_	_	(23,210)
Foreign exchange losses on monetary items	(7,444)	(12)	(95)	(7,551)
Profit/(loss) before tax	47,127	30,056	(2,603)	74,580
Tax	(26,577)			(26,577)
Profit/(loss) after tax	20,550	30,056	(2,603)	48,003
Other information				
Capital additions	62,486	_	_	62,486
Right-of-use asset additions	5,200	_	_	5,200
Depreciation and amortisation	(61,323)	_	_	(61,323)
Statement of financial position				
Goodwill	13,429	_	_	13,429
Other intangible assets	16,967	_	_	16,967
Right-of-use assets	149,278	_	_	149,278
Property, plant and equipment	579,138	_	_	579,138
Investment in joint ventures	26,185	_	_	26,185
Related party loans	30,460	_	_	30,460
Other non-current assets	4,905	_	_	4,905
Other trade receivables	9	_	_	9
Total current assets	178,281	310,882	3,606	492,769
Segment assets	1,039,374	310,882	3,606	1,353,862
Segment liabilities	(609,104)	(621)	(430)	(610,155)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

5 Revenue

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

	2021	2020
Sale of services	396,376	352,792
Net income from underlying investment vehicles	3,754	3,327
Profit on disposal of financial assets at fair value through profit or loss	11,870	1,001
Unrealised gains on financial assets at fair value through profit or loss	33,850	29,055
Returns on investment portfolio at fair value through profit or loss	49,474	33,383
Interest on bank deposits	2,254	1,078
Other interest	1,859	566
Other investment income	4,113	1,644
Total Revenue	449,963	387,819

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:

	2021	2020
Harbour manoeuvres	178,552	159,134
Special operations	20,558	14,462
Ship agency	8,774	8,122
Towage and ship agency services	207,884	181,718
Container handling	72,402	71,401
Warehousing	35,036	28,727
Ancillary services	21,283	18,534
Offshore support bases	7,234	8,045
Other services	13,040	13,514
Port terminals	148,995	140,221
Logistics	35,142	28,616
Logistics	35,142	28,616
Repairs/dry-docking	4,355	2,237
Shipyard	4,355	2,237
Total Revenue from contracts with customers	396,376	352,792

Contract balance

Trade receivables are generally received within 30 days. The carrying amount of operational trade receivables at the end of the reporting period was US\$49.1 million (2020: US\$40.6 million). These amounts include US\$13.5 million (2020: US\$10.7 million) of contract assets (unbilled accounts receivables). There were no contract liabilities as of 31 December 2021 (2020: none).

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

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. Information about the Group's performance obligations timing is as follows:

Performance obligation	When performance obligation is typically satisfied
Towage and agency services	
Harbour Maneuvers	At a point in time
Special Operations	At a point in time
Ship Agency	At a point in time
Port Terminals	
Container handling	At a point in time
Warehousing	At a point in time
Ancillary services	At a point in time
Offshore support bases	At a point in time
Other services	At a point in time
Logistics	
Logistics	At a point in time
Shipyard	
Ship construction contracts	Over time
Technical assistance/dry-docking	Over time

The disaggregation of revenue from contracts with customers based on the timing of performance obligations is as follows:

	2021	2020
At a point of time	392,021	350,555
Over time	4,355	2,237
Total Revenue from contracts with customers	396,376	352,792

The performance obligation of ship construction contracts, technical assistance and drydocking is satisfied over time and the revenue related to these contracts is recognised when the work in proportion to the stage of completion of the transaction contracted has been performed. As at 31 December 2021 and 2020, there were no warranties or refund obligations associated with ship construction contracts.

There are no significant judgements in the determination of when performance obligations are typically satisfied.

All revenue is derived from continuing operations.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

6 Employee charges and benefits expense

Employee charges and benefits expense are classified as follows:

	2021	2020
Wages, salaries and benefits	(90,868)	(87,852)
Social security costs	(20,062)	(21,271)
Other pension costs	(772)	(687)
Share based payments	(324)	(206)
Employee charges and benefits expense	(112,026)	(110,016)

Defined contribution retirement benefit schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees in its Brazilian operations. The assets of the scheme are held separately from those of the Group in funds under the control of independent managers. An expense of US\$0.7 million (2020: US\$0.6 million) recognised under other pension costs represents contributions payable to the scheme by the Group at rates specified in the rules of the plan.

Information regarding the defined health benefit plans are detailed in note 22.

7 Other operating expenses

Other operating expenses are classified as follows:

	2021	2020
Utilities and communications	(12,309)	(10,352)
Insurance	(4,076)	(2,632)
Corporate, governance and compliance costs	(2,359)	(2,459)
Short-term or low-value asset leases	(32,881)	(26,522)
Service costs	(24,401)	(21,953)
Freight	(10,717)	(7,031)
Port expenses	(6,629)	(6,172)
Other operating expenses	(4,917)	(7,545)
	(98,289)	(84,666)

8 Finance costs

Finance costs are classified as follows:

	2021	2020
Interest on lease liabilities	(13,882)	(12,836)
Interest on bank overdrafts and loans	(16,219)	(10,262)
Exchange loss on foreign currency borrowings	(32)	-
Other interest costs	(94)	(112)
	(30,227)	(23,210)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

9 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:

	2021	2020
Current tax expense		
Brazilian corporation tax	(17,239)	(20,912)
Brazilian social contribution	(7,114)	(8,276)
Total current tax expense	(24,353)	(29,188)
Deferred tax – origination and reversal of timing differences		
Charge for the year in respect of deferred tax liabilities	(6,737)	(17,601)
Credit for the year in respect of deferred tax assets	3,165	20,212
Total deferred tax (expense)/credit	(3,572)	2,611
Total tax expense	(27,925)	(26,577)

Brazilian corporation tax is calculated at 25% (2020: 25%) of the taxable profit for the year. Brazilian social contribution tax is calculated at 9% (2020: 9%) of the taxable profit for the year.

The reconciliation of the effective tax rate is as follows:

	2021	2020
	2021	2020
Profit before tax	110,391	74,580
Less: Profit before tax of Bermuda and unallocated segments	(41,036)	(27,453)
Profit before tax – Maritime services	69,355	47,127
Tax at the aggregate Brazilian tax rate of 34% (2020: 34%)	(23,581)	(16,023)
Net operating losses in the period	(816)	(2,869)
Non-deductible expenses	(554)	(2,018)
Foreign exchange variance on loans	1,142	14,631
Tax effect of share of results of joint ventures	(1,710)	(1,408)
Tax effect of foreign exchange gains or losses on monetary items	(881)	(4,248)
Retranslation of non-monetary items	228	(13,972)
Share option scheme	(110)	(43)
Leasing	158	108
Other	(1,801)	(735)
Tax expense for the year	(27,925)	(26,577)
Effective rate for the year – Maritime services	40%	56%
Effective rate for the year – Group	25%	36%

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

9 Taxation (CONTINUED)

The tax expense related to amounts recognised in other comprehensive income is as follows:

For the year ended 31 December 2021	Before tax	Tax (expense)/ credit	Net of tax
Post-employment benefits	164	(56)	108
Items that will not be reclassified subsequently to profit or loss	164	(56)	108
Exchange differences arising on translation of foreign operations	(11,302)	3,843	(7,459)
Effective portion of changes in fair value of derivatives	239	(81)	158
Items that will be or may be reclassified subsequently to profit or loss	(11,063)	3,762	(7,301)
Total amounts recognised in other comprehensive income	(10,899)	3,706	(7,193)

		Tax (expense)/	
For the year ended 31 December 2020	Before tax	credit	Net of tax
Post-employment benefits	532	(181)	351
Items that will not be reclassified subsequently to profit or loss	532	(181)	351
Exchange differences arising on translation of foreign operations	(78,521)	26,697	(51,824)
Effective portion of changes in fair value of derivatives	(53)	18	(35)
Items that will be or may be reclassified subsequently to profit or loss	(78,574)	26,715	(51,859)
Total amounts recognised in other comprehensive income	(78,042)	26,534	(51,508)

Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and their movements during the current and prior reporting period:

		Foreign		5 (1)		Retranslation	
	Tax depreciation	exchange variance on loans	Tax losses	Profit on construction contracts	Other timing differences	,	Total
	depreciation	Ivalis	14X 1035C3	Contracts	uniterences	iteilis	Iotai
At 1 January 2020	(37,274)	29,379	14,933	16,962	7,152	(51,314)	(20,162)
(Charge)/credit to income	(638)	15,135	3,235	(1,439)	290	(13,972)	2,611
Other adjustments	-	-	(63)	-	121	-	58
Exchange differences	8,429	(8,057)	(3,400)	-	(1,379)	629	(3,778)
At 31 December 2020	(29,483)	36,457	14,705	15,523	6,184	(64,657)	(21,271)
(Charge)/credit to income	(2,497)	1,251	(4,159)	(632)	2,237	228	(3,572)
Other adjustments	-	-	-	(83)	(1,456)	-	(1,539)
Exchange differences	2,130	(2,436)	(868)	-	(429)	123	(1,480)
At 31 December 2021	(29,850)	35,272	9,678	14,808	6,536	(64,306)	(27,862)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Certain tax assets and liabilities have been offset on an entity-by-entity basis. After offset, deferred tax balances are disclosed in the statement of financial position as follows:

	2021	2020
Deferred tax liabilities	(50,194)	(50,987)
Deferred tax assets	22,332	29,716
	(27,862)	(21,271)

As at 31 December 2021, the Group had unused tax losses of US\$39.0 million (2020: US\$64.4 million) available for offset against future profits in the company in which they arose.

No deferred tax asset has been recognised in respect of US\$7.6 million (2020: US\$6.9 million) due to the unpredictability of future profit streams, as a tax asset of one entity of the Group cannot be offset against a tax liability of another entity of the Group as there is no legally enforceable right to do so. The Group expects to recover the deferred tax assets between three and five years.

Deferred tax on foreign exchange variance on loans arises from exchange gains or losses on the Group's US Dollar and Brazilian Real denominated loans linked to the US Dollar that are not deductible or payable for tax in the period they arise. Exchange gains on these loans are taxable when settled and not in the period in which gains arise.

Retranslation of non-monetary items deferred tax arises on Brazilian property, plant and equipment held in subsidiaries with US Dollar as their functional currency. Deferred tax is calculated on the difference between the historical US Dollar balances recorded in the Group's accounts and the Brazilian Real balances used in the Group's Brazilian tax calculations.

Recoverable and payable taxes

The Group reviews taxes and levies impacting its business to ensure that payments are accurately made. In the event that tax credits arise, the Group intends to use them in future years within their legal term. If the Group does not utilise the tax credit within their legal term, a reimbursement of such amounts will be requested from the Brazilian Internal Revenue Service.

The recoverable taxes relate to Brazilian federal taxes, Brazilian sales and rendering of services taxes, Brazilian payroll taxes, Brazilian income tax, Brazilian social contributions, and judicial bond related those previous items. The recoverable taxes are classified as current if they are expected to be used or reimbursed within 12 months of the end of the period, otherwise they are classified as non-current, and are as follows:

	2021	2020
Recoverable taxes – current	25,380	22,479
Recoverable taxes – non-current	12,816	11,006
Total recoverable taxes	38,196	33,485

The payable taxes relate to Brazilian federal taxes, Brazilian rendering of services taxes, Brazilian payroll taxes and Brazilian income tax. The payable taxes are classified as current if they are payable within 12 months of the end of the period, otherwise they are classified as non-current, and are as follows:

	2021	2020
Taxes payable – current	(8,057)	(6,346)
Total taxes payable	(8,057)	(6,346)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

10 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

11 Financial assets at fair value through profit or loss

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

	2021	2020
Opening balance – 1 January	347,464	298,839
Additions, at cost	72,811	63,723
Disposals, at market value	(73,064)	(45,154)
Increase in fair value of financial assets at fair value through profit or loss	33,850	29,055
Profit on disposal of financial assets at fair value through profit or loss	11,870	1,001
Closing balance – 31 December	392,931	347,464
Bermuda – Investment segment	349,613	307,874
Brazil – Maritime services segment	43,318	39,590

Bermuda - Investment 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.

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

The Investment Manager receives an investment management fee of 1% of the valuation of funds under management and an annual performance fee of 10% of the net investment return which exceeds the benchmark, provided that the highwater mark has been exceeded. The portfolio performance is measured against a benchmark calculated by reference to the US CPI Urban Consumers index not seasonally adjusted plus 3% per annum over rolling three-year periods. Payment of performance fees are subject to a high-water mark and are capped at a maximum of 2% of the portfolio net asset value. The Board considers a three-year measurement period appropriate due to the investment mandate's long-term horizon and an absolute return inflation-linked benchmark appropriately reflects the Group's investment objectives while having a linkage to economic factors.

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:

	2021	2020
Within one year	5,219	4,670
In the second to fifth year inclusive	2,946	5,153
After five years	35,056	35,495
Total	43,221	45,318

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

The exact timing of capital calls made in respect of the above commitments are at the discretion of the manager of the underlying structure. If required, amounts expected to be settled within one year will be met from the realisation of liquid investment holdings. There may be situations when commitments may be extended by the manager of the underlying structure beyond the initial expiry date dependent upon the terms and condition of each individual structure.

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 – Investment segment portfolio and consist of US Dollar denominated depository notes, an investment fund and an exchange fund both privately managed. Those funds' financial obligations are limited to service fees to the asset management company employed to execute investment transactions, audit fees and other similar expenses. The funds' underlying investments are highly liquid and readily convertible.

Information about the Group's exposure to financial risks and fair value information related to financial assets at fair value through profit or loss is included in note 31.

12 Trade and other receivables

Trade and other receivables are classified as follows:

	2021	2020
Non-current		
Other trade receivables	1,580	9
Total other trade receivables	1,580	9
Current		
Trade receivable for the sale of services	35,915	30,436
Unbilled trade receivables	13,517	10,716
Total gross current trade receivables	49,432	41,152
Allowance for expected credit loss	(338)	(554)
Total current trade receivables	49,094	40,598
Prepayments	6,646	4,252
Insurance claim receivable	632	995
Employee advances	1,236	1,099
Other receivables	1,742	863
Total other current receivables	10,256	7,209
Total trade and other receivables	59,350	47,807

The aging of the trade receivables is as follows:

	2021	2020
Current	43,160	34,561
From 0 – 30 days	4,098	4,800
From 31 – 90 days	858	852
From 91 – 180 days	988	197
More than 180 days	328	742
Total	49,432	41,152

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

12 Trade and other receivables (CONTINUED)

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

	2021	2020
Opening balance – 1 January	554	837
Decrease in allowance recognised in profit or loss	(188)	(99)
Exchange differences	(28)	(184)
Closing balance – 31 December	338	554

Information about the Group's exposure to credit risks related to trade receivables is included in note 31.

13 Inventories

Inventories are classified as follows:

	2021	2020
Operating materials	10,829	9,404
Raw materials for third party vessel construction	1,468	2,360
Total	12,297	11,764

Inventories are presented net of provision for obsolescence, amounting to US\$0.4 million (2020: US\$0.3 million).

14 Joint arrangements

Joint operations

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

		Proportion of ownership		
	incorporation - and operation	2021	2020	
Towage Consórcio de Rebocadores Baia de São Marcos ¹	Brazil	-	50%	

⁽¹⁾ The joint operation was terminated in December 2021

The following amounts are included in the Group's financial information as a result of proportional consolidation of joint operations listed above:

	2021	2020
Sales of services	-	4,067
Other operating expenses	(1,059)	(2,449)
Profit for the year	(1,059)	1,618

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

	2021	2020
Property, plant and equipment	-	1,842
Other intangible assets	-	2
Inventories	-	186
Trade and other receivables	-	990
Cash and cash equivalents	-	1,408
Total assets	-	4,428
Trade and other payables	-	(4,237)
Deferred tax liabilities	-	(191)
Total liabilities	-	(4,428)

Joint ventures

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

	Place of	Proportion of ownership		
	incorporation and operation	2021	2020	
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%	
Auditud Olishore S.A.	Panama	50%	50%	

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:

	2021	2020
Sales of services	118,049	121,616
Operating expenses	(70,364)	(59,344)
Depreciation and amortisation	(50,962)	(51,199)
Foreign exchange losses on monetary items	(3,904)	(16,998)
Results from operating activities	(7,181)	(5,925)
Finance income	302	65
Finance costs	(15,789)	(17,415)
Loss before tax	(22,668)	(23,275)
Tax credit	12,610	14,991
Loss for the year	(10,058)	(8,284)
Participation	50%	50%
Share of result of joint ventures	(5,029)	(4,142)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

14 Joint arrangements (CONTINUED)

	2021	2020
Non-current assets	584,886	590,734
Other current assets	46,548	37,942
Cash and cash equivalents	7,541	15,219
Total assets	638,975	643,895
Non-current liabilities	375,988	387,478
Other current liabilities	49,173	78,011
Trade and other payables	66,567	98,145
Total liabilities	491,728	563,634
Total net assets	147,247	80,261
Participation	50%	50%
Group's share of net assets	73,624	40,131
Cumulative elimination of profit on construction contracts	(12,071)	(13,946)
Investment in joint ventures	61,553	26,185

Investment in joint ventures movement	2021	2020
Opening balance – 1 January	26,185	30,334
Share of result of joint ventures	(5,029)	(4,142)
Capital increase	40,207	23
Elimination of profit on construction contracts	17	45
Post-employment benefits	10	24
Translation reserve	163	(99)
Closing balance – 31 December	61,553	26,185

During the year ended 31 December 2021, the Group increased its invested capital in the joint venture Wilson Sons Ultratug Participações S.A. with a cash contribution of US\$20.0 million (2020: nil), and in the joint venture Atlantic Offshore S.A. with the conversion in capital of a US\$20.2 million (2020: nil) related party loan.

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\$160.4 million (2020: US\$170.7 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 Petrobas. 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\$2.1 million (2020: US\$2.1 million).

Covenants

On 31 December 2021 the joint venture Wilson Sons Ultratug Participações S.A. was not in compliance with one of the covenants' ratios with Banco do Brasil. In the event of non-compliance, the joint venture has to increase its capital within a year to reach US\$5.5 million. As the capital will be increased to that amount within a year, management will not negotiate a waiver letter with Banco do Brasil. There are no other capital commitments for the joint ventures as of 31 December 2021 (2020: none).

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

15 Property, plant and equipment

	Land and buildings	Floating craft	Vehicles, plant and equipment	Assets under construction	Total
Cost					
At 1 January 2020	313,432	516,361	231,226	292	1,061,311
Additions	25,901	10,216	25,284	-	61,401
Transfers to right-of-use assets	-	-	(495)	-	(495)
Transfers to intangible assets	-	-	(99)	-	(99)
Transfers	148	(124)	(24)	-	-
Disposals	(3,725)	(969)	(4,039)	-	(8,733)
Exchange differences	(56,443)		(42,819)	-	(99,262)
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 31 December 2021	274,683	541,252	198,464	9,581	1,023,980
Accumulated depreciation					
At 1 January 2020	91,945	217,369	124,948	-	434,262
Charge for the year	6,774	29,030	11,989	-	47,793
Transfers to right-of-use assets	-	-	(471)	-	(471)
Elimination on construction contracts	-	13	-	-	13
Disposals	(2,400)	(829)	(3,928)	-	(7,157)
Exchange differences	(16,691)	-	(22,764)	-	(39,455)
At 1 January 2021	79,628	245,583	109,774	-	434,985
Charge for the year	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 31 December 2021	82,651	264,836	113,438	-	460,925
Carrying Amount					
At 31 December 2020	199,685	279,901	99,260	292	579,138
At 31 December 2021	192,032	276,416	85,026	9,581	563,055

Land and buildings with a net book value of US\$0.2 million (2020: US\$0.2 million) and plant and equipment with a carrying amount of US\$0.1 million (2020: US\$0.1 million) have been given in guarantee for various legal processes.

The Group has pledged assets with a carrying amount of US\$251.6 million (2020: US\$253.6 million) to secure loans granted to the Group.

No borrowing costs were capitalised in 2021. The amount of borrowing costs capitalised in 2020 was US\$3.0 million at an average interest rate of 2.76%.

The Group has contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US\$14.2 million (2020: US\$1.6 million).

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

16 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 2020	186,026	4,481	6,449	12,703	209,659
Additions	1,553	3,504	19	124	5,200
Contractual amendments	9,376	52	201	83	9,712
Transfers from property, plant and equipment	-	-	-	495	495
Terminated contracts	-	-	(200)	(1,911)	(2,111)
Exchange differences	(42,245)	(759)	(772)	(1,745)	(45,521)
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 31 December 2021	167,118	13,077	5,388	8,846	194,429
Accumulated depreciation					
At 1 January 2020	8,269	2,276	1,469	8,634	20,648
Charge for the year	7,280	2,995	1,099	1,062	12,436
Transfers from property, plant and equipment	-	-	-	471	471
Terminated contracts	-	-	(70)	(1,861)	(1,931)
Exchange differences	(1,810)	(521)	(77)	(1,060)	(3,468)
At 1 January 2021	13,739	4,750	2,421	7,246	28,156
Charge for the year	7,410	4,187	980	748	13,325
Terminated contracts	(3,264)	-	(504)	(598)	(4,366)
Exchange differences	413	(743)	63	(288)	(555)
At 31 December 2021	18,298	8,194	2,960	7,108	36,560
Carrying Amount					
At 31 December 2020	140,971	2,528	3,276	2,503	149,278
At 31 December 2021	148,820	4,883	2,428	1,738	157,869

Operational facilities

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

Tecon Rio Grande

The Tecon Rio Grande lease was signed on 3 February 1997 for a period of 25 years renewable for a further 25 years. Tecon Rio Grande was then granted the right to renew the lease as set out in the contract amendment signed on 7 March 2006. The commitments set forth in the lease agreement and its addendum include a monthly payment for facilities and leased areas, a contractual payment per container moved based on minimum forecast volumes, and a payment per tonne in respect of general cargo handling and unloading.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Tecon Salvador

Tecon Salvador S.A. has the right to lease and operate the container terminal and heavy cargo terminal in the Port of Salvador for 25 years renewed in 2016 for a further 25 years. The total lease term of 50 years, until March 2050, is provided in the second addendum to the rental agreement. This addendum requires the Group to make a minimum specified investment in expanding the leased terminal area. The commitments set forth in the lease agreement and its addendums include a monthly payment for facilities and leased areas and a contractual payment per container moved based on minimum forecast volumes and a fee per ton of non-containerised cargo moved based on minimum forecast volumes.

Shipyard

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

Brasco

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

Logistics

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

Floating craft

Variable chartering of vessels for maritime transport between port terminals.

Buildings

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

Vehicles, plant and equipment

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

Lease liabilities

Lease liabilities by class of asset	Discount rate	2021	2020
Operational facilities	5.17% - 9.33%	159,444	150,513
Floating craft	7.75% - 10.52%	4,823	2,759
Buildings	4.41% - 17.19%	2,139	2,932
Vehicles, plant and equipment	4.87% - 12.9%	1,437	1,690
Total		167,843	157,894
Total current		19,449	18,192
Total non-current		148,394	139,702

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

16 Lease arrangements (CONTINUED)

Maturity analysis - contractual undiscounted cash flows	2021	2020
Within one year	20,323	19,153
In the second year	37,535	17,365
In the third to fifth years inclusive	32,767	49,353
After five years	313,102	292,766
Total cash flows	403,727	378,637
Adjustment to present value	(235,884)	(220,743)
Total lease liabilities	167,843	157,894

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

	2021	2020
Actual outflow	403,727	378,637
Embedded interest	(235,884)	(220,743)
Lease liabilities	167,843	157,894
Inflated flow	426,694	400,017
Inflated embedded interest	(252,974)	(236,886)
Inflated lease liabilities	173,720	163,131

Amounts recognised in profit and loss

	2021	2020
Depreciation of right-of-use assets	(13,325)	(12,436)
PIS and COFINS taxes	1,262	1,730
Net depreciation of right-of-use assets	(12,063)	(10,706)
Interest on lease liabilities	(14,771)	(14,096)
PIS and COFINS taxes	889	1,260
Interest on lease liabilities	(13,882)	(12,836)
Variable lease payments not included in the measurement of lease liabilities ¹	(2,332)	(2,037)
Expenses relating to short-term leases	(29,641)	(23,392)
Expenses relating to low-value assets	(897)	(1,093)
Total	(58,815)	(50,064)

⁽¹⁾ The amounts refer to payments which exceeded the minimum forecast volumes of Tecon Rio Grande and Tecon Salvador and payments related to the number of vessel trips which were not included in the measurement of lease liabilities.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Amounts recognised in the cash flow statement

	2021	2020
Payment of lease liability	(8,473)	(6,345)
Interest paid – lease liability	(14,771)	(14,111)
Short-term leases paid	(29,641)	(23,392)
Variable lease payments	(2,332)	(2,037)
Low-value leases paid	(897)	(1,093)
Total cash outflow	(56,114)	(46,978)

17 Other intangible assets

Other intangible assets cost and related accumulated amortisation are classified as follows:

	Computer software	Concession rights	Other	Total
Cost				
At 1 January 2020	42,420	20,461	61	62,942
Additions	1,085	-	-	1,085
Transfers to property, plant and equipment	99	-	-	99
Disposals	(43)	-	-	(43)
Exchange differences	(2,454)	(4,448)	(14)	(6,916)
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 31 December 2021	40,923	15,501	45	56,469
Accumulated amortisation				
At 1 January 2020	33,326	7,304	-	40,630
Charge for the year	2,394	430	-	2,824
Disposals	(42)	(382)	-	(424)
Exchange differences	(1,330)	(1,500)	-	(2,830)
At 1 January 2021	34,348	5,852	-	40,200
Charge for the year	2,298	420	-	2,718
Disposals	(695)	-	-	(695)
Exchange differences	(411)	(324)	-	(735)
At 31 December 2021	35,540	5,948	-	41,488
Carrying Amount				
31 December 2020	6,759	10,161	47	16,967
31 December 2021	5,383	9,553	45	14,981

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

18 Goodwill

Goodwill is classified as follows:

	Tecon Rio Grande	Tecon Salvador	Total
Carrying Value:			
At 1 January 2020	11,610	2,480	14,090
Exchange differences	(661)	-	(661)
At 1 January 2021	11,949	2,480	13,429
Exchange differences	(157)	-	(157)
At 31 December 2021	10,792	2,480	13,272

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

Each CGU is assessed for impairment annually and whenever there is an indication of impairment. The carrying value of goodwill has been assessed with reference to its value in use reflecting the projected discounted cash flows of each CGU to which goodwill has been allocated.

Details of the impairment test are disclosed in note 19.

19 Impairment Test of Cash Generating Units

Tecon Rio Grande and Tecon Salvador

The Tecon Rio Grande and Tecon Salvador CGUs contains goodwill and as such are tested annually for impairment. The cash flows of these CGUs are derived from operating budgets, historical and prospective data, and include forecast assumptions on revenue, costs and expenses, investments, and projection period. The key assumptions used in determining value in use are as follows:

	Tecon Ric	Tecon Rio Grande		Tecon Salvador	
	2021	2021 2020		2020	
Discount rate	9.4%	8.4%	9.5%	8.4%	
Growth rate	4.3%	7.4%	3.4%	3.9%	
Inflation rate	3.7%	4.0%	3.7%	4.0%	

Further assumptions include sales and operating margins, which are based on past experience considering the effect potential changes in market or operating conditions. Projected volumes for both CGUs were based on the expected performance of the Brazilian economy until reaching operating capacity for each. The discount rate was based on weighted average cost of capital ("WACC"), whereas the growth rate for projection is based on the inflation rate only after reaching operating capacity and does not exceed its historical average.

As at 31 December 2021 and 2020, the estimated recoverable amount of these CGUs significantly exceeded their carrying value and as such no impairment loss was recognised. An increase in the discount rate of up to 33.7% (2020: 36.6%) for Tecon Rio Grande and 6.4% (2020: 12.6%) for Tecon Salvador would not result in an impairment loss.

Offshore support bases

For the year ended 31 December 2021 and 2020, the Offshore support bases CGU, which is part of the Brazil – Maritime Services segment, reported negative earnings before taxes, and as such was tested for impairment. The cash flows of this CGU are derived from operating budgets, historical and prospective data, and include the following forecast assumptions: (i) revenue; (ii) costs and expenses; (iii) investments; (iv) projection period; and (v) discount rate.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

- (i) Revenue: The assumption considers the estimated pace of growth in oil & gas offshore exploration and production. Data from the Brazilian Petroleum National Agency, the Energy Research Agency, oil companies' releases and specialised industry reports all support a significant increase in oil exploration and production activities in Brazil in the next 10 years. The Group assesses it will successfully capture part of that increase in demand and expects to reach from 2026 onwards operating levels attained prior to the economic and oil and gas market crises. Based on current and expected future tender activity and competitive advantage, the average growth rate is estimated at 20% each year until 2025. For 2026 onward, the growth rate is estimated at 21%, based on the expected growth in the Brazilian oil and gas sector and in the region in which the CGU operates. Projections for 2022 include a 9% increase from the pricing currently in place and a 29% decrease in public prices for Spot berthing compared to 2021. From 2023 onwards, prices are adjusted for inflation.
- (ii) Costs and expenses: Projections for 2022 are in line with the budget and include an increase in fixed costs of 23% over 2021. From 2023 onwards, costs are forecasted to increase in line with the increase in activity.
- (iii) Investments: The Group did not include any expansion investment within its projections.
- (iv) **Projection period:** The Group has prepared the projections using a 10 year period plus a perpetuity, as the oil and gas industry life cycle is at least 10 years, due to the life cycle of investment in an oil field from exploration to sustainable production.
- (v) Discount rate: The discount rate calculation is based on the specific circumstances of the CGU, taking into consideration the time value of money and individual risks of the CGU that have not been incorporated in the cash flow estimates, and is a weighted average cost of capital (WACC). The Group has determined the discount rate using reputable sources to capture macroeconomic assumptions and information from comparator companies in the oilfield and the maritime services sector in which the CGU operates. For the year ended 31 December 2021, the discount rate was estimated at 10.1% (2020: 11.3%), the reduction being principally driven by a reduction of cost of equity due to a reduction in the unlevered beta and in the country risk premium.

As at 31 December 2021, the estimated recoverable amount of the CGU of US\$72.1 million (2020: US\$57.2 million) exceeded its carrying value of US\$42.9 million (2020: US\$46.3 million) and as such no impairment loss was recognised. While maintaining all other assumptions constant, either an increase in the discount rate of up to 2.5% (2020: 0.9%), a decrease in revenue over the projected period of up to 7.8% (2020: 5.3%), or a decrease in revenue over the first 3 years of the projected period of up to 80.0% (2020: 12.0%) would not result in an impairment loss.

20 Trade and other payables

Trade and other payables are classified as follows:

	2021	2020
Trade payables	29,242	17,090
Accruals	7,424	5,757
Other payables	441	912
Provisions for employee benefits	19,547	16,516
Deferred income	1,859	791
Total	58,513	41,066

Trade creditors and accruals principally comprise amounts outstanding for trade purposes and ongoing costs. The average credit period for trade purchases is 29 days (2020: 29 days). For most suppliers, interest is charged on outstanding trade payable balances at various interest rates. The Group has financial risk management policies in place to ensure that payables are paid within the credit timeframe agreed with each vendor.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

21 Bank loans and overdrafts

The movement in bank loans is as follows:

	2021	2020
Opening – 1 January	342,661	334,978
Additions	19,438	51,455
Principal amortisation	(57,926)	(25,725)
Interest amortisation	(10,390)	(8,569)
Accrued interest	16,246	13,840
Exchange difference	(8,430)	(23,318)
Closing – 31 December	301,599	342,661

The terms and conditions of outstanding secured borrowings are as follows:

		Annual		202	<u>!</u> 1	202	20
Lender	Currency	interest rate %	Year of maturity	Carrying value	Fair value	Carrying value	Fair value
BNDES	linked to US Dollar	2.30% - 3.71%	2035	110,514	110,514	117,781	117,781
BNDES	linked to US Dollar	2.07% - 4.08%	2028	25,161	25,161	27,060	27,060
BNDES	linked to US Dollar	5%	2022	177	177	1,605	1,605
BNDES	Real	15.91%	2034	45,264	45,264	47,632	47,632
BNDES	Real	14.65%	2029	6,241	6,241	7,545	7,545
BNDES	Real	9.79%	2027	638	638	805	805
Banco do Brasil	linked to US Dollar	2.00% - 4.00%	2035	71,854	71,854	75,795	75,795
Bradesco	Real	10.08% - 10.45%	2024	27,248	27,417	38,660	40,577
Bradesco	Real	10.75%	2023	4,494	4,489	-	-
Itaú	Real	3.38%	2021	-	-	4,056	4,060
Banco Santander	US Dollar	2.63%	2023	10,008	10,008	-	-
Banco Santander	Real	6.44%	2021	-	-	6,153	6,144
Banco Santander	Real	6.44%	2021	-	-	1,903	1,900
China Construction Bank	Real	5.65%	2021	-	-	13,666	13,657
Total				301,599	301,763	342,661	344,561

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

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

	2021	2020
Within one year	45,287	58,672
In the second year	47,961	44,707
In the third to fifth years (inclusive)	86,671	96,250
After five years	121,680	143,032
Total	301,599	342,661
Amounts due for settlement within 12 months	45,287	58,672
Amounts due for settlement after 12 months	256,312	283,989

Guarantees

The loan agreements with BNDES and Banco do Brasil rely 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.

The loan agreements with Bradesco and Banco Santander rely on corporate guarantees from the Group's subsidiary party to the agreement.

Undrawn credit facilities

As at 31 December 2021, the Group had US\$78.8 million (2020: US\$19.1 million) of undrawn borrowing facilities available in relation to the Salvador Terminal expansion and the dry-docking, maintenance and repair of tugs.

Covenants

Some of the loan agreements include obligations related to financial indicators, including Net Debt/EBITDA, Profit/Total Debt, current liquidity ratio and debt service coverage ratio.

As at 31 December 2021 and 2020, the Group was in compliance with all covenants related to its loan agreements.

Information about the Group's exposure to financial risks is included in note 31.

22 Post-employment benefits

The Group operates a private medical insurance scheme for its employees in its Brazilian operations, which requires the eligible employees to pay fixed monthly contributions. In accordance with Brazilian law, eligible employees with greater than ten years' service acquire the right to remain in the plan following retirement or termination of employment. Ex-employees remaining in the plan will be liable for paying the full cost of their continued scheme membership.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

22 Post-employment benefits (CONTINUED)

The future actuarial liability for the Group relates to the potential increase in plan costs resulting from additional claims due to the expanded membership of the scheme. The movement in the present value of the actuarial liability for the year is as follows:

	2021	2020
Opening balance – 1 January	(1,641)	(2,369)
Current service cost	(3)	(7)
Interest expense	(133)	(127)
Contributions to the plan	(30)	(23)
Changes in economic and financial assumptions	522	566
Changes in biometric and demographic assumptions	(391)	(215)
Exchange differences	114	534
Closing balance – 31 December	(1,562)	(1,641)

The calculation of the liability generated by the defined health benefits plan involves actuarial assumptions. The principal actuarial assumptions are as follows:

	2021	2020
Economic and Financial assumptions		
Annual interest rate	8.67%	7.90%
Estimated inflation rate in the long-term	3.00%	3.50%
Medical cost trend rate	5.58%	6.09%
Biometric and Demographic assumptions		
Employee turnover	14.10%	21.27%
Mortality table	AT-2000	AT-2000
Disability table	Álvaro Vindas	Álvaro Vindas
Retirement Age	100% at 62	100% at 62
Employees electing to remain in the plan after retirement or termination	23%	23%
Probability of marriage	80% of the participants	80% of the participants
Age difference for active participants	Men 3 years older than women	Men 3 years older than women

The present value of future liabilities may change depending on market conditions and actuarial assumptions. Changes on a relevant actuarial assumption, keeping the other assumptions constant, would have affected the defined benefit obligation as follows:

Change in assumptions	2021	2020
Discount rate + 0.5%	(195)	(225)
Discount rate - 0.5%	223	260
Medical Cost Trend Rate + 0.5%	229	264
Medical Cost Trend Rate - 0.5%	(199)	(229)
Aging factor + 0.5%	145	151
Aging factor - 0.5%	(145)	(151)

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23 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.

Labour claims - Claims involving payment of health risks, additional overtime and other allowances.

Tax cases – Claims involving government tax assessments when the Group considers it has a chance of successfully defending its position.

Civil and environmental cases – Claims involving indemnification for material damage, environmental and shipping claims and other contractual disputes.

Claims deemed probable and subject to reasonable estimation by management and its legal counsel are recorded as provisions, whereas claims deemed only reasonably possible are disclosed as contingent liabilities. Both provisions and contingent liabilities are subject to uncertainties around the timing and amount of possible cash outflows as the outcome is heavily dependent on court proceedings.

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 2021	7,985	1,202	373	9,560
Additional provisions	667	280	1,132	2,079
Unused amounts reversed	(1,542)	(102)	(3)	(1,647)
Utilisation of provisions	(368)	(2)	-	(370)
Exchange difference	(552)	(83)	(80)	(715)
At 31 December 2021	6,190	1,295	1,422	8,907

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

	Labarra alaima	T	Civil and environmental	Tabal
	Labour claims	Tax cases	cases	Total
At 31 December 2020	13,318	58,809	5,264	77,391
At 31 December 2021	14,881	52,793	4,968	72,642

Other non-current assets of US\$3.6 million (2020: US\$4.9 million) represent legal deposits required by the Brazilian legal authorities as security to contest legal actions.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

24 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)	
	2021	2021 2020		2020
Joint arrangements				
Consórcio de Rebocadores Baía de São Marcos	-	(4)	-	1,535
Wilson, Sons Ultratug Participações S.A. ¹	524	506	10,784	10,346
Atlantic offshore S.A. ²	-	-	-	20,617
Others				
Hanseatic Asset Management LBG ³	(4,876)	(3,130)	(2,133)	(599)
Gouvêa Vieira Advogados ⁴	(21)	(51)	-	-
CMMR Intermediação Comercial Limitada ⁵	-	(6)	-	-
Jofran Services ⁶	-	(156)	-	-
Hansa Capital GMBH ⁷	-	(93)	-	

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

Remuneration of key management personnel

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

	2021	2020
Short-term employee benefits	6,131	3,877
Post-employment benefits	67	82
Share based payment expense	236	160
	6,434	4,119

⁽²⁾ Related party loans with Atlantic Offshore S.A. (with no interest and with no maturity date).

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ Mr. C M Marote, a former Director of Wilson Sons Limited is a shareholder and Director of CMMR. Intermediação Comercial Limitada. Fees were paid to CMMR. Intermediação Comercial Limitada for consultancy services.

⁽⁶⁾ Mr. J F Gouvêa Vieira is a Director of Jofran Services. Directors' fees were paid to Jofran Services.

⁽⁷⁾ Mr. C Townsend is a Director of Hansa Capital GmbH. Directors' fees were paid to Hansa Capital GmbH.

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25 Share capital

	2021	2020
Authorised 50,060,000 ordinary shares of 20p each (2020: 50,060,000 ordinary shares of 20p each)	16,119	16,119
Issued and fully paid	11 200	11.000
35,363,040 ordinary shares of 20p each (2020: 35,363,040 ordinary shares of 20p each)	11,390	11,390

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

Share capital is converted at the exchange rate prevailing at 31 December 2002, the date at which the Group's presentation currency changed from Sterling to US Dollars, being US\$1.61 to £1.

26 Share options in subsidiary

On 8 January 2014, the shareholders of the subsidiary WSL approved a share option plan which allowed for the grant of options to eligible participants, including an increase in the authorised capital of WSL through the creation of up to 4,410,927 new shares. Following the merger of WSL into WSSA (note 3), the shareholders of the subsidiary WSL approved on 24 June 2021 the migration of the share option plan to WSSA, where the rights and the granted share options were maintained in accordance with the conditions stipulated in the prior WSL share option plan.

The options provide participants with the right to acquire shares in WSL at a predetermined fixed price, following a vesting period of 3 to 5 years, and expire 10 years from the grant date, or immediately on the resignation of the employee, whichever is earlier. Options lapse if not exercised within 6 months of the date that the participant ceases to be employed within the Group by reason of injury, disability or retirement.

The movement in share options and related weighted average exercise prices in Brazilian Real (R\$) is as follows:

	2021		2020	
	Number of shares (not rounded)	WAEP (R\$)	Number of shares (not rounded)	WAEP (R\$)
Opening balance – 1 January	2,213,490	31.96	2,702,540	31.85
Granted during the period	450,000	51.95	-	-
Exercised during the period	(1,123,850)	31.65	(475,050)	31.23
Expired during the period	(14,000)	38.00	(14,000)	33.98
Outstanding at 31 December	1,525,640	38.03	2,213,490	31.96
Exercisable at 31 December	1,047,420	32.02	2,063,500	31.66

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

26 Share options in subsidiary (CONTINUED)

The options outstanding as at 31 December 2021 had an exercise price in the range of R\$31.23 to R\$51.95 (2020: R\$31.23 to R\$40.33) and a weighted-average contractual life of 4.7 years (2020: 3.5 years). The weighted average share price at the date of exercise for the year ended 31 December 2021 was R\$33.5 (2020: R\$45.76).

The fair value of the share options at the grant date was determined using the Binomial model based on the following assumptions:

Grant date	10 January 2014	13 November 2014	11 August 2016	16 May 2017	9 November 2017
Closing share price (in Real)	R\$30.05	R\$33.50	R\$32.15	R\$38.00	R\$38.01
Expected volatility	28.00%	29.75%	31.56%	31.82%	31.82%
Expected life	10 years	10 years	10 years	10 years	10 years
Risk free rate	10.8%	12.74%	12.03%	10.17%	10.17%

Expected volatility was determined by calculating the historical volatility of the subsidiary share price. The expected life used in the model has been adjusted based on management's best estimate for exercise restrictions and behavioural considerations.

During the year ended 31 December 2021, 1,123,850 share options were exercised (2020: 475,050), resulting in an increase in non-controlling interest of 0.89% (2020: 0.39%).

27 Non-controlling interest

The following table summarises the information related to non-controlling interests. The non-controlling interests immaterial to the Group originate from the Brazil – Maritime services segment and are presented together as Other. The information on the Group's composition is presented in note 3.

WSSA	Other	Total
189,336	679	190,015
17,170	1,609	18,779
(3,095)	(15)	(3,110)
16,533	1,275	17,808
	17,170 (3,095)	17,170 1,609 (3,095) (15)

For the year ended 31 december 2020	WSL	Other	Total
Net assets attributable to non-controlling interest	187,595	330	187,925
Profit allocated to non-controlling interest	8,230	1,061	9,291
Other comprehensive income allocated to non-controlling interest	(21,674)	(186)	(21,860)
Dividends to non-controlling interest	16,275	1,180	17,455

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28 Dividends

The following dividends were declared and paid by the Company:

	2021	2020
70c per share (2020: 70c per share)	24,754	24,754

After the reporting date, the following dividends were proposed by the Board, but have not been recognised as liabilities:

	2021	2020
70c per share (2020: 70c per share)	24,754	24,754

29 Earnings per share

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

	2021	2020
Profit for the year attributable to equity holders of the Company	63,687	38,712
Weighted average number of ordinary shares (not rounded)	35,363,040	35,363,040
Earnings per share – basic and diluted	180.1c	109.5c

The Company has no dilutive or potentially dilutive ordinary shares.

30 Risk management

Capital risk management

The Group manages its capital to ensure that entities within the Group are viable and will be able to continue as a going concern. The capital structure of the Group consists of debt, long term in nature, which includes the borrowings disclosed in note 21 and the lease liabilities included in note 16, cash and cash equivalents, investments, and equity attributable to equity holders of the Company comprising issued capital, reserves and retained earnings disclosed in the consolidated statement of changes in equity.

The Group borrows to fund capital projects and looks to cash flow from these projects to meet repayments. Working capital is funded through cash generated by operating activities. There were no significant changes during the year relative to the Group policy relating to capital management.

Climate change risk

The Group is exposed to both climate-related risks and opportunities. The two major categories of risk being transition and physical risk. Transition risks are those relating to the transition to a lower carbon economy and include risks such as policy and legal risk, technology risk, market risk and reputation risk. Physical risks are those relating to the physical impacts of climate change which can be acute (those from increased frequency and severity of climate related events) or chronic (due to longer-term shifts in climate patterns). The Group is more significantly affected by physical risk through its exposure to acute and chronic climate change. However, consideration must be, and is, given to transition and climate-related litigation risks.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

30 Risk management (CONTINUED)

During the year ended 31 December 2021, the Group assessed and evaluated risks relating to climate change, including those related to existing and emerging regulatory requirements, as well as other transition and physical risks. The Group's process for managing climate related risks is grounded in its emissions monitoring work, which includes greenhouse gas (GHG) emissions, tide and ocean data, as well as market movements and impacts suffered by clients. This intelligence enables the Group to mitigate potential risks and identify opportunities, particularly in the reduction of its direct emissions, and as a result to continue to adopt advancing technologies to reduce its GHG emissions.

A significant part of the Board's focus during the year ended 31 December 2021 has been reducing risk exposure and driving ESG (Environmental Social and Governance Practices) initiatives to have more measurable outcomes and to begin establishing climate related emissions targets for the Group. This is the first year that the Company will report on its TCFD disclosures (Taskforce for Climate-related Financial Disclosures) which has driven a more focused approach to the Group's risk management framework for monitoring and managing climate related risks. It is the Board's ambition to ensure that these risks and related opportunities are examined in depth and across time horizons with clear discussion of strategic implications and mitigating actions.

31 Financial instruments

Accounting classification and fair value

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

		2021		2020		
	Classification	Carrying value	Fair value	Carrying value	Fair value	
Financial assets						
Trade and other receivables	Amortised cost	59,350	59,350	47,807	47,807	
Financial assets at fair value through profit and loss	At fair value through profit and loss	392,931	392,931	347,464	347,464	
Cash and cash equivalents	Amortised cost	28,565	28,565	63,255	63,255	
Financial liabilities						
Trade and other payables	Other financial liabilities	(58,513)	(58,513)	(41,066)	(41,066)	
Bank overdraft and loans	Other financial liabilities	(301,599)	(301,763)	(342,661)	(344,561)	

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 overdraft and 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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

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.

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 as 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 underlying funds use a blend of methods to determine the value of their own NAV by valuing underlying investments using methodology consistent with the International Private Equity and Venture Capital Valuation Guidelines ('IPEV'). IPEV guidelines generally provides five ways to determine the fair market value of an investment: (i) binding offer on the company, (ii) transaction multiples, (iii) market multiples, (iv) net assets and (v) discounted cash flows. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information, these values are relied upon.

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
31 December 2021				
Financial assets at fair value through profit and loss	67,177	196,069	129,685	392,931
Bank overdraft and loans	-	(301,599)	-	(301,599)
31 December 2020				
Financial assets at fair value through profit and loss	59,224	189,103	99,137	347,464
Bank overdraft and loans	-	(342,661)	-	(342,661)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

31 Financial instruments (CONTINUED)

During the year ended 31 December 2021, no financial instruments were transferred between Level 1 and Level 2 (2020: none). The movement in Level 3 financial instruments for the year is as follows:

	2021	2020
Balance at 1 January	99,137	101,263
Transfers from Level 2 to Level 3	77	-
Purchases of investments and drawdowns of financial commitments	15,379	9,485
Sales of investments and repayments of capital	(12,992)	(9,661)
Realised gains/losses	6,873	(1,196)
Unrealised gains/losses	21,211	(754)
Balance at 31 December	129,685	99,137
Cost	125,983	117,649
Cumulative unrealised gains/losses	3,702	(18,512)

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 at 31 December 2021. The analysis is based on the assumptions that the proceeds realised will be decreased by 5%, 10% or 20%, with all other variables held constant. This represents the Directors' best estimate of a reasonable possible impact that could arise from a disposal due to illiquidity.

Level 3 financial instruments sensitivity	5% scenario	10% scenario	20% scenario
31 December 2021	(6,484)	(12,968)	(25,936)
31 December 2020	(4,957)	(9,914)	(19,827)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to its bank balances, trade receivables, related party loans and investments. The amounts presented as receivables in the consolidated statement of financial position are shown net of allowances for credit loss.

The Bermuda – Investment segment primarily transacts with regulated institutions on normal market terms which are trade date plus one to three days. The levels of amounts outstanding from brokers are regularly reviewed by the Investment Manager. The duration of credit risk associated with the investment transaction is the period between the date the transaction took place, the trade date and the date the stock and cash are transferred, and the settlement date. The level of risk during the period is the difference between the value of the original transaction and its replacement with a new transaction.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The credit risk on investments held for trading is limited because the counterparties with whom the Group transacts are regulated institutions or banks with high credit ratings. The Group's appointed Investment Manager, Hanseatic Asset Management LBG, evaluates the credit risk on trading investments prior to and during the investment period.

In addition, the Bermuda – Investment segment invests in limited partnerships and other similar investment vehicles. The level of credit risk associated with such investments is dependent upon the terms and conditions and the management of the investment vehicles. The Board reviews all investments at its regular meetings from reports prepared by the Company's Investment Manager.

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The Brazil – Maritime Services segment invests temporary cash surpluses in government and private bonds, according to regulations approved by management, which follow the Group policy on credit risk concentration. Credit risk on investments in non-government backed bonds is mitigated by investing only in assets issued by leading financial institutions. The Group stipulates a cash allocation limit per bank, in addition to investment rules according to rating classification. The Group invests in banks with rating classification BBB (limited to a maximum of 15%), from A to AA (limited to a maximum of 40% and maximum of 100%).

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's sales policy is subordinated to the credit sales rules set by WSSA management which seek to mitigate any loss from customers' delinquency. The Group has no significant concentration of credit risk for trade receivables as they consist of a large number of customers. Regular credit evaluation is performed on the financial condition of accounts receivable.

Allowance for expected credit losses

Generally, interest of 1% per month plus a 2% penalty is charged on overdue balances for trade receivables. The Group recognises an allowance for expected credit losses based on an expected credit loss model and a provision matrix that involves historical evaluation of effective losses over billing cycles. The provision matrix is initially based on the Group's historical observed default rates and is reassessed every 180 days. The period of review is 3.5 years, and the measurement of the default rate considers the recoverability of receivables and will be applied according to the payment profile of debtors.

The Group will calibrate, when appropriate, the matrix to adjust the historical credit losses experience with forward-looking information. Due to the COVID-19 pandemic, the Group has reviewed the variables that make up the methodology of measurement of estimated losses. There has been no increase in customer default rate due to the outbreak. Additionally, the Group created a credit committee to monitor and, if necessary, propose payment terms to those customers with credit risk.

The allowance for expected credit losses determined using a provision matrix is as follows:

	Current	1-30 days	31-90 davs	91-180 days	More than 180 days	Total
31 December 2021						
Expected credit loss rate	0.05%	0.05%	1.67%	8.65%	60.08%	
Receivables for services	43,160	4,098	858	989	327	49,432
Allowance for expected credit losses	(22)	(2)	(14)	(86)	(214)	(338)
31 December 2020						
Expected credit loss rate	0.09%	0.09%	3.30%	12.77%	62.48%	
Receivables for services	34,561	4,800	852	197	742	41,152
Allowance for expected credit losses	(35)	(4)	(28)	(25)	(462)	(554)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

31 Financial instruments (CONTINUED)

Foreign currency risk

The Brazil – Maritime services segment operates principally in Brazil with a substantial proportion of its revenue, expenses, assets and liabilities denominated in Real, exposing the Group exchange rate fluctuations. Due to the high cost of hedging transactions denominated in Real, the Group does not normally hedge its net exposure to the Real, as the Board does not consider it economically viable.

Purchases and sells of goods and services are denominated in Real and US Dollars. These transactions are subject to currency fluctuations between the time that the price of goods or services are settled and the actual payment date. For investing and financing cash flows, the resources and their application are monitored with the objective of matching the currency cash flows and due dates. For operating cash flows, the Group seeks to neutralise the currency risk by matching assets (receivables) and liabilities (payments).

Furthermore, the Group has contracted US Dollar denominated and Real denominated debt, and the cash and cash equivalents balances are also US Dollar denominated and Real denominated. The Group seeks to generate an operating cash surplus in the same currency in which the debt service of each business is denominated.

The Bermuda – Investment segment operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the US Dollar, the functional currency. Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company's policy is not to manage its exposure to foreign exchange movements by entering into any foreign exchange hedging transactions. Instead, when the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Company, the Investment Manager factors that into its portfolio allocation decisions.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows (presented in US Dollar):

	Ass	Assets		Liabilities	
	2021	2021 2020		2020	
Real	173,297	160,021	(367,528)	(354,244)	
Sterling	11,603	11,492	(22)	(22)	
Swiss Franc	3,305	3,273	-	-	
Euro	31,549	31,147	-	-	
Yen	5,394	5,125	-	-	
	225,148	211,058	(367,550)	(354,266)	

The Group is primarily exposed to unfavorable movements in the Real on its Brazilian liabilities held by US Dollar functional currency entities. The sensitivity analysis below refers to the position at the end of the reporting period and estimates the impacts of a Real devaluation against the US Dollar, considering three scenarios: a likely scenario (probable), a 25% devaluation scenario (possible) and a 50% devaluation scenario (remote). The Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

	Currency	Amount in US Dollars	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
31 December 2021			5.59	6.99	8.39
Total assets	BRL	173,297	(294)	(34,895)	(57,963)
Total liabilities	BRL	(367,528)	625	74,005	122,926
Net impact			331	39,110	64,963
31 December 2020					
Exchange rate			5.20	6.50	7.80
Total assets	BRL	160,021	(101)	(32,085)	(53,408)
Total liabilities	BRL	(354,244)	225	71,029	118,231
Net impact			124	38,944	64,823

Interest rate risk

The Group is exposed to interest rate risk as entities within the Group borrow funds at both fixed and floating interest rates. The Group holds most of its debts linked to fixed rates. The Group's Real denominated investments yield interest rates corresponding to the DI daily fluctuation for privately issued securities and/or "Selic-Over" government-issued bonds. The US Dollar denominated investments are partly in time deposits, with short-term maturities. The Group has floating rate financial assets consisting of bank balances principally denominated in US Dollars and Real that bear interest at rates based on the banks' floating interest rate.

The Group is primarily exposed to unfavorable movements in the interest rate impacting its floating interest rate borrowings, which are partially being offset by the impact on its floating interest rates investments. The sensitivity analysis below refers to the position at the end of the reporting period and estimates the impacts of unfavorable movement in the interest rates, considering three scenarios: a likely scenario (probable), a 25% devaluation scenario (possible) and a 50% devaluation scenario (remote). The Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

31 December 2	2021	Risk Amount (\$US)	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Borrowing	Brazilian Interbank Interest Rate	(31,743)	(615)	(1,342)	(2,053)
Borrowing	Brazilian Long-Term Interest Rate	(638)	-	(6)	(12)
Borrowing	Brazilian National Consumer Prices	(51,506)	-	(1,114)	(2,204)
Borrowing	N/A	(217,712)	-	-	-
Investments	Brazilian Interbank Interest Rate	18,626	2,207	4,111	4,089
Net impact			1,592	1,649	(180)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

31 Financial instruments (CONTINUED)

31 December 2	020	Risk Amount (\$US)	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Borrowing	Brazilian Interbank Interest Rate	(64,439)	(440)	(746)	(1,050)
Borrowing	Brazilian Long-Term Interest Rate	(841)	-	(6)	(12)
Borrowing	Brazilian National Consumer Prices	(55,141)	-	(415)	(825)
Borrowing	N/A	(222,240)	-	-	-
Investments	LIBOR	39,997	-	15	31
Investments	Brazilian Interbank Interest Rate	52,995	218	619	1,020
Net impact			(222)	(533)	(836)

The net impact was obtained by assuming a 12-month period starting at the beginning of the period in which interest rates vary and all other variables are held constant. The scenarios represent the difference between the weighted scenario rate and actual rate.

Derivative financial instruments

The Group may enter into derivatives contracts to manage risks arising from interest rate fluctuations. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting in order to manage volatility.

Market price risk

By the nature of its activities, the Bermuda – Investment segment's investments are exposed to market price fluctuations. However, the portfolio as a whole does not correlate exactly to any Stock Exchange Index as it is invested in a diversified range of markets. The Investment Manager and the Board monitor the portfolio valuation on a regular basis and consideration is given to hedging the portfolio against large market movements.

The sensitivity analysis below has been determined based on the exposure to market price risks at the year end and shows what the impact would be if market prices had been 5, 10 or 20 percent higher or lower at the end of the financial year. The amounts below indicate an increase in profit or loss and total equity where market prices increase by 5, 10 or 20 percent, assuming all other variables are kept constant. A fall in market prices of 5, 10 or 20 percent would give rise to an equal fall in profit or loss and total equity.

	5% scenario	10% scenario	20% scenario
31 December 2021	17,481	34,961	69,922
31 December 2020	15,394	30,787	61,574

Concentration risk

By the nature of its activities, the Bermuda – Investment segment's investments are exposed to concentration of credit risk and market risk based on geographic exposure and sector exposure. The Investment Manager and the Board monitor the portfolio composition on a regular basis to ensure it remains invested in a diversified range of markets to limit the concentration of exposure by geography and by sector.

As at 31 December 2021, the Group has identified concentration risk for its financial assets at fair value through profit and loss within the Bermuda – Investment segment due to their geographic exposure of US\$174.8 million in North America (2020: US\$132.0 million) and their sector exposure of US\$94.6 million in information technology (2020: US\$72.2 million). These exposures are based on the immediate investment into investment vehicles and may be further affected by specific allocation of assets within those vehicles.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling obligations associated with its financial liabilities that are settled with cash payments or other financial assets. The Group's approach in managing liquidity is to ensure that the Group always has sufficient liquidity to fulfil its obligations that expire, under normal and stressed conditions, to avoid damage to the reputation of the Group. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group ensures it has sufficient cash reserves to meet the expected operational expenses, including financial obligations. This practice excludes the potential impact of extreme circumstances that cannot be reasonably foreseen except for those taken this year and in prior year in response to COVID-19 liquidity management.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, showing the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay, including both interest and principal payments.

6	Weighted average effective interest rate %	Less than 12 months	1-5 years	5+ years	Total
31 December 2021					
Variable interest rate instrument	s 4.26%	22,445	48,787	35,792	107,024
Fixed interest rate instruments	2.73%	34,651	112,903	98,390	245,944
Lease liability	10.49%	20,323	70,302	313,102	403,727
		77,419	231,992	447,284	756,695
31 December 2020					
Variable interest rate instrument	s 2.78%	35,923	61,088	42,972	139,983
Fixed interest rate instruments	2.75%	31,136	100,087	131,858	263,081
Lease liability	8.77%	19,153	66,718	292,766	378,637
		86,212	227,893	467,596	781,701

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

During the year ended 31 December 2020, the Brazilian National Economic and Social Development Bank (BNDES) granted Wilson Sons eligibility for the COVID-19 "Standstill Agreement". This allowed for the postponement of principal and interest payments that occurred between May and October 2020, a payment deferment of approximately US\$10.3 million for the Group and US\$9.9 million for the Company's 50% share in the offshore support vessel joint venture. Loan repayments are to be made according to the remaining terms of the contracts included in the scheme.

During the year ended 31 December 2021, the Company signed a second five-month standstill to defer approximately US\$7.5 million for the Group and US\$8.9 million for the Company's 50% share in the offshore support vessel joint venture between January 2021 and May 2021. Principal and interest payments resumed as scheduled in June 2021.

Additionally, during the last quarter of the year ended 31 December 2020, the Company signed a COVID-19 related "Standstill Agreement" with the Banco do Brazil delaying repayment of approximately US\$3.7 million for the Group and US\$1.9 million for the Company's 50% share in the offshore support vessel joint venture. Principal and interest payments resumed as scheduled in the year ended 31 December 2021.

Limitations of sensitivity analysis

The sensitivity information included in note 31 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors.

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

32 Subsequent events

On 24 February 2022, Russia invaded Ukraine, and the ongoing military attack has led multiple states including the UK, the EU and the United States to impose economic sanctions on Russia. The conflict continues to evolve as military activity proceeds and additional sanctions are imposed. The Company is still assessing the full impact on its operations and investments, but it is clear that this conflict is increasingly affecting the global economy and financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation, rising commodity prices and global supply-chain disruption. The Company considers this event as a non-adjusting post year end event which has no impact on the carrying value of its assets and liabilities as at 31 December 2021.

In March 2022, the Company wrote down the full value of its investment in Prosperity Quest Fund, a Russia-focused equity fund, following the issue of an investor notice announcing the suspension of its net asset valuation, subscriptions and redemptions. As at 31 December 2021, Prosperity Quest Fund was a Level 3 investment valued at US\$4.1 million and included within financial assets at fair value through profit and loss on the consolidated statement of financial position.

STATISTICAL STATEMENT (UNAUDITED)

For the year ended 31 December 2021 (Expressed in thousands of US Dollars)

	2021	2020	2019	2018	2017
INCOME STATEMENT					
Sales of services	396,376	352,792	406,128	460,196	496,340
Raw materials and consumables used	(24,036)	(19,266)	(25,290)	(38,128)	(37,679)
Employee charges and benefits expense	(112,026)	(110,016)	(140,348)	(146,327)	(166,395)
Other operating expenses	(98,289)	(84,666)	(89,207)	(117,025)	(119,600)
Depreciation & amortisation expense	(61,412)	(61,323)	(66,122)	(56,178)	(57,481)
Impairment charge (Loss)/gain on disposal of property, plant and	-	-	(13,025)	-	-
equipment and intangible assets	(499)	65	294	(296)	(2,930)
Foreign exchange (loss)/gain on monetary items	(3,100)	(7,551)	(79)	(8,459)	2,750
Operating profit	97,014	70,035	72,351	93,783	115,005
Share of results of joint ventures	(5,029)	(4,142)	564	(4,062)	3,366
Returns on investment portfolio at fair value			24.716		
through profit or loss	49,474	33,383	34,716	(7,942)	42,064
Investment portfolio performance and management fees	(4,954)	(3,130)	(3,417)	(2,742)	(2,710)
Other investment income	4,113	1,644	6,052	4,152	9,715
Finance costs	(30,227)	(23,210)	(27,736)	(22,951)	(21,976)
Profit before tax	110,391	74,580	82,530	60,238	145,464
Tax expense	(27,925)	(26,577)	(21,481)	(26,433)	(36,056)
Profit for the year	82,466	48,003	61,049	33,805	109,408
Profit for the year attributable to:					
Equity holders of the Company	63,687	38,712	46,852	13,308	78,315
Non-controlling interests	18,779	9,291	14,197	20,497	31,093
	82,466	48,003	61,049	33,805	109,408
Statement of financial position					
Non-current assets	861,824	861,093	981,011	773,521	818,714
Current assets	518,523	492,769	460,616	438,928	501,240
Total assets	1,380,347	1,353,862	1,441,627	1,212,449	1,319,954
Current liabilities	(131,306)	(124,276)	(115,678)	(119,036)	(123,908)
Non-current liabilities	(465,369)	(485,879)	(540,089)	(315,704)	(371,986)
Total liabilities	(596,675)	(610,155)	(655,767)	(434,740)	(495,894)
Net assets	783,672	743,707	785,860	777,709	824,060
Key Statistics					
Earnings per share (US\$)	180.1c	109.5c	132.5c	37.6c	221.5c
Cash dividends per share paid (US\$)	70.0c	70.0c	70c	70c	63c
Book value per share (US\$)	22.16	21.03	22.22	21.99	23.30
Mid-market quotation at end of period	£9.32	£8.45	£9.90	£11.70	£10.95
Mid-market quotation at end of period in (US\$)	\$12.62	\$11.55	\$13.13	\$14.92	\$14.79

DIRECTORY

Bermuda Office

MAILING ADDRESS: OFFICE ADDRESS:

PO Box HM 2250 Richmond House – 5th Floor

Hamilton HM JX 12 Par-la-Ville Road
Bermuda Hamilton HM 12

Bermuda

Registered Office

MAILING ADDRESS:OFFICE ADDRESS:PO Box HM 2250Clarendon HouseHamilton HM JX2 Church Street

Bermuda

Hamilton HM 11

Registrars

Bermuda

Conyers Corporate Services (Bermuda) Limited

Clarendon House 2 Church Street Hamilton HM 11 Bermuda

UK Transfer Agent and Ocean Wilsons Dividend Address

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

Auditor

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

Investment Manager

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

Brokers

Peel Hunt 100 Liverpool Street London EC2M 2AT UK

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Company will be held at the offices of Conyers Dill & Pearman Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on 26 May 2022 at 8:30 am for the following purposes.

- 1 To appoint a chairperson of the meeting.
- **2** To confirm notice.
- 3 To receive and, if approved, adopt the Directors' Report and Accounts for the year ended 31 December 2021.
- **4** To declare a dividend of 70 cents per share.
- To determine the maximum number of Directors for the ensuing year as nine and to authorise the Board of Directors to fill any vacancy in their number left unfilled for any reason to serve until the conclusion of the next Annual General Meeting.
- 6 To re-elect Mr. William Salomon as a Director until the next Annual General Meeting.
- 7 To re-elect Mr. Andrey Berzins as a Director until the next Annual General Meeting.
- 8 To re-elect Mr. Christopher Townsend as a Director until the next Annual General Meeting.
- **9** To re-elect Ms. Fiona Beck as a Director until the next Annual General Meeting.
- 10 To re-elect Ms. Caroline Foulger as a Director until the next Annual General Meeting.
- 11 To re-appoint KPMG Audit Limited as the Auditor and to authorise the Directors to determine the remuneration of the Auditor.
- Ratification and confirmation of all and any actions taken by the Board of Directors and the persons entrusted with Company's management in the year ended 31 December 2021.

By Order of the Board

Fergus McAleavey

Company Secretary
Clarendon House, Church Street, Hamilton HM 11, Bermuda

23 March 2022

Any member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

FORM OF PROXY

* I / V	le							
* of								
pany a	a Member of Ocean Wilsons Holdings Limited, hereby appoint Mr. J. F. Gouvêa Vieira, or as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of and at any adjournment thereof. The proxy will vote on the Resolutions as indicated oppo	the compa						
Or								
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 26 May 2022 and at any adjournment thereof. The proxy will vote on the Resolutions as indicated opposite.								
		FOR	AGAINST	WITHHELD				
1	To receive and, if approved, adopt the Directors' Report and Accounts for the year ended 31 December 2021.							
2	To declare a dividend of 70 cents per share.							
3	To determine the maximum number of Directors for the ensuing year as nine and authorise the Board of Directors to elect or appoint on the Members' behalf a person or persons to act as additional Directors up to such maximum number to serve until the conclusion of the next Annual General Meeting.							
4	To re-elect Mr. W. Salomon as a Director until the next Annual General Meeting.							
5	To re-elect Mr. A. Berzins as a Director until the next Annual General Meeting.							
6	To re-elect Mr. C. Townsend as a Director until the next Annual General Meeting.							
7	To re-elect Ms. F Beck as a Director until the next Annual General Meeting.							
8	To re-elect Ms. C. Foulger as a Director until the next Annual General Meeting.							
9	To re-appoint KPMG Audit Limited as the Auditor and authorise the Directors to fix the remuneration of the Auditor.							
10	Ratification and confirmation of all and any actions taken by the Board of Directors and the persons entrusted with Company's management in the year ended 31 December 2021.							
Signa	ture Dated			2022				
Notes								
(1) If an	ny other proxy is preferred, delete the names inserted above and add the name of the proxy whom you wish	to appoint, ar	nd initial the alte	ration.				
(2) Please indicate by a cross in the appropriate box how you wish your proxy to vote. If no indication is given your proxy will abstain or vote as he/she thinks fit.								
	be valid, the proxy should be deposited at the Transfer Agents of the Company, Link Group, PXS 1, Central Sc., no less than 48 hours before the time for the Meeting.	quare, 29 We	llington Street, L	eeds, LS1				
(4) In t	ne case of a corporation, this proxy must be under its Common Seal or under that of an Officer or Attorney do	uly authorised	d in writing.					

(5) In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members, in respect of the

* Please insert your full name and address in BLOCK CAPITALS.

joint holding.



