ANNUAL REPORT 2022

OCEAN WILSONS

HOLDINGS LIMITED

About Ocean Wilsons Holdings Limited

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

Principal Activities

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

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

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

Objective

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

Contents

2022 Data Highlights

Key Data

AT 31 DECEMBER

IN US$ MILLIONS

Revenue

$440.1

2021: 396.4

Change: +11.0%

Operating Profit

$112.1

2021: 97.0

Change: +15.6%

Profit after tax

$11.5

2021: 82.5

Change: -86.1%

Investment portfolio net return

$(51.0)

2021: 44.5

Change: ($95.5)

Investment portfolio assets

$293.8

2021: 351.8

Change: ($58.0)

Net assets

$754.1

2021: 783.7

Change: -3.8%

Net debt

$442.3

2021: 440.9

Change: +0.3%

Net cash inflow from operating activities

$97.1

2021: 106.1

Change: -8.5%

Share Data

AT 31 DECEMBER

Earnings per share
(USD)

(52.8) c

2021: 180.1 c

Change: (232.9) c

Proposed/Actual dividend per share **(USD)**

70 c

2021: 70 c

Change: -

Share price discount to net asset value

50.5%

2021: 41.6%

Change: -8.9%

Implied net asset value per share * **(GBP)**

18.78

2021: 15.95

Change: +17.7%

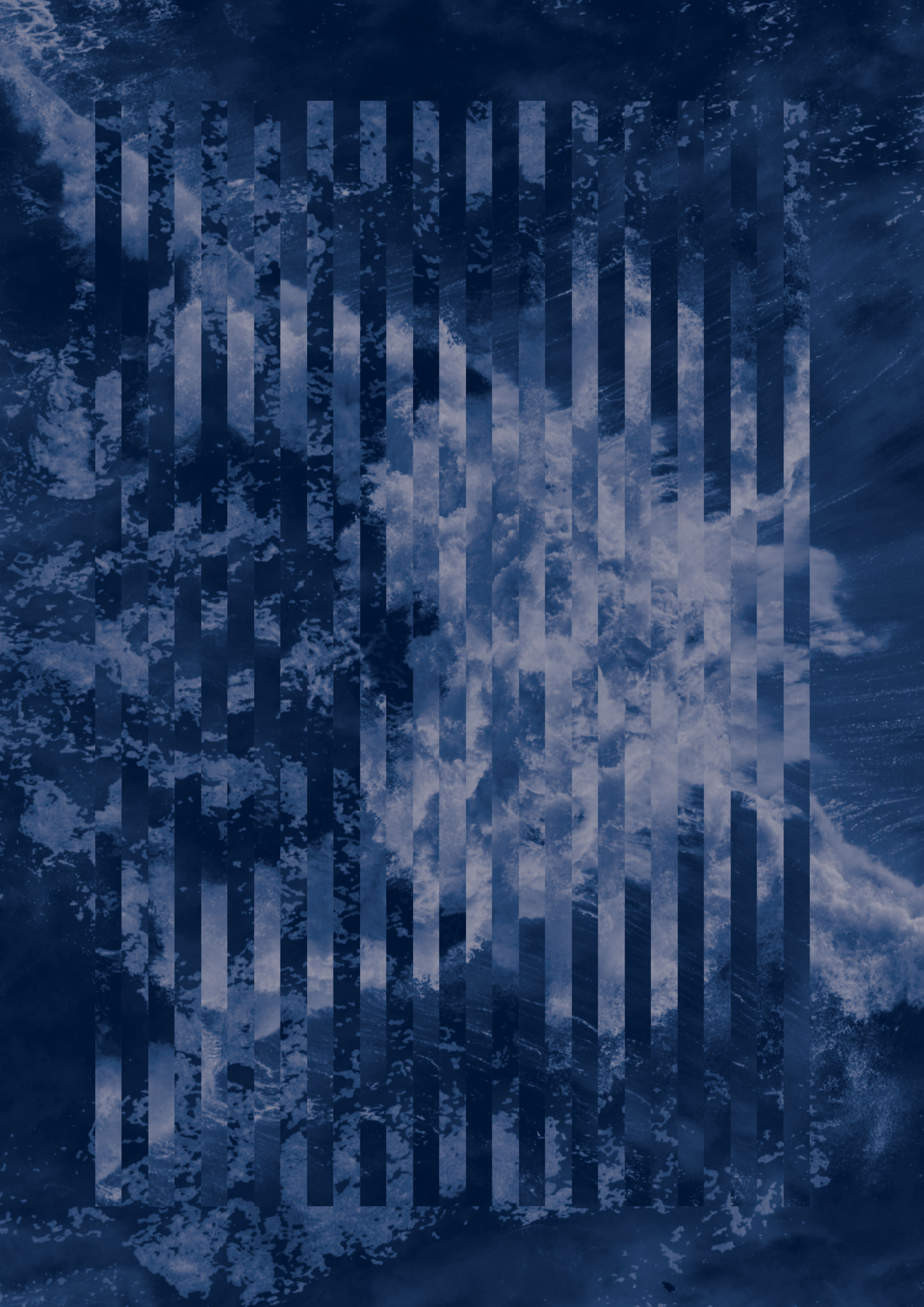
Share price
(GBP)

9.30

2021: 9.32

Change: -0.2%

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



SECTION ONE

Strategic Report

The Chair's Statement

I am delighted to report that, in spite of a challenging 2022, the business has navigated the year with confidence and delivered both strong operational results and investment returns that are respectable compared to benchmarks. Elevated risks and uncertainties with respect to the supply chain challenges and the impacts of the sanctions on shipping markets, coupled with inflation and the effects of the fears of recession on global financial markets all had a dampening effect. Notwithstanding these headwinds, the Group performed particularly well in our maritime operations, and our defensive positions minimized losses in the investment portfolio against index comparatives.

Our investment portfolio was, of course, not immune to the global market volatility spurred by inflationary fears and geopolitical instability. However, the portfolio loss of 13.8% compared favourably to a notional balanced portfolio of global equities and government bonds, which fell by 18.2% for the year. In the most challenging investment year in a decade, it is important to remember that the fundamental tenet of our investment strategy is the long-term generation of capital through the cycle. In addition to our equity and diversifying fund investments, our longstanding relationships with proven fund managers allows us to access compelling investment opportunities not always available to others that support our longer-term views. To reflect this, our portfolio continues to include a substantial weighting in private equity funds which are less correlated to equity market volatility and have outperformed those indices by over 100% since 2014.

Wilson Sons grew revenues despite lower container volumes as the business benefited from increases in volumes at its towage and offshore support base divisions. This rebalancing of product mix allowed Wilson Sons to pivot its operations and to harden pricing in the towage sector, fill empty capacity at the offshore support bases and improve margins to maximize profitability in the container terminals.

Results Overview

At the close of markets on 31 December 2022, the Wilson Sons' share price was R$10.81 (US$2.05), resulting in a market value for the Ocean Wilsons holding of 248,644,000 shares (57% of Wilson Sons) of US$509.7 million which is equivalent to US$14.41 (£11.91) per Ocean Wilsons share. This together with the value of the investment portfolio at 31 December 2022 of US$8.29 results in an implied net asset value per Ocean Wilsons Holdings Limited share of US$22.69 (£18.78). The Ocean Wilsons Holdings Limited share price was £9.30 at 31 December 2022.

Earnings per share for the year was a loss of US 52.8 cents compared with a profit of US 180.1 cents in 2021.

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

Our Environmental Social and Governance (ESG) Practices

The Board is committed to driving and implementing responsible investing policies and operating practices for the Group. Ocean Wilsons' ESG practices and related strategy continued to receive close attention at our Board meetings over the past year.

The investment portfolio is managed by the investment manager, Hanseatic Asset Management LBG ("Hansa Capital"). During the year, Hansa Capital became a signatory to the internationally recognised United Nations' Principles for Responsible Investment in line with the Board's strategy to further its ESG commitment within its subsidiaries. While the Company does not have a specific ESG policy to exclude investments in companies or sectors, new investments which the Board believes will further the Company's long-term growth objectives are considered with an ESG lens in addition to other factors. Our Investment Manager follows a rigorous onboarding process for any new investments which include a review of the funds' ESG practices and philosophies.

On the Board's recent visit to our operations in Brazil, we were able to witness first-hand Wilson Sons' continued commitment to its corporate culture that drives innovation, sustainability, social and diversity initiatives and strong governance practices. Part of Wilson Sons' criteria when considering expansion and capital investments is the improvement of the Company's impact on the environment and climate, opportunities to improve employee engagement and to ensure its governance procedures are effective. For example, Wilson Sons recently launched the first two of six new tugs whose design reduces carbon emissions and have recently moved into new office space which is smaller and more energy efficient. Employees are encouraged to participate in corporate innovation think tanks and are rewarded when their ideas are implemented through donations to charities of their choice. These are just a few examples of the strong sense of commitment to being a better corporate citizen to all its stakeholders that embodies the corporate culture at Wilson Sons.

Further details of the Company's ESG practices and our TCFD disclosures are presented on page 35.

The Board

I would like to take the opportunity to recognise that after 23 years as the Chair of Ocean Wilsons, José Francisco Gouvêa Vieira retired at the Annual General Meeting held in May 2022. On behalf of the Board and the shareholders, I would like to say thank you for his leadership and many contributions. We continue to benefit from his knowledge of Brazilian markets as he maintains his directorship on the Wilson Sons Board. We wish him well in his future endeavours.

Outlook

The first quarter of 2023, in terms of uncertainty, is reminiscent of the first quarter of 2022, which saw the Russian invasion of Ukraine and a commensurate change in the prevailing world order regarding supply chains, food security and armed conflict; 2023 has already been jolted by the effect on the US and global banking sectors from the demise of Silicon Valley Bank and Signature Bank and the current uncertainty around Credit Suisse and possible others. There is much debate as to the mid-term impact of this on financial markets, but what is clear is that there continues to be little expectation of predictability.

Our outlook for 2023, in terms of our investment portfolio, is that there are new opportunities with inflation beginning to decline, interest rates likely nearing their peak, some greens shoots of growth, albeit slow, lower valuations and an expectation that geo-political risks will continue to be a factor for the longer term. In anticipation of this, we broadened the investment portfolio by adding more exposure to value strategies to balance and complement our quality and growth holdings. The key investment objective for the portfolio remains unchanged; generate real returns through long-term capital growth rather than overly responding to short-term moves in equity markets.

We expect Wilson Sons to continue to leverage its strong market position in Brazil and seek opportunities to expand its maritime services and grow market share. Market consensus is for an easing of the constraints on the global shipping industry caused by the container shortages and supply chain interruptions in recent years. The Wilson Sons' management team will continue to drive results from its towage and offshore support bases to offset challenges in the container terminals sector. Fundamental to the continued success of Wilson Sons is their commitment to innovation which steers investment towards new technologies that promote revenue growth, sustainability and operating efficiency.

There are choppy waters ahead in the global economy, however the experience of 2022 has demonstrated that there are always navigation opportunities to be found and the Board believes that both our divisions are well placed to seek them out.

Caroline Foulger
Chair
23 March 2023

Business Review

Investment Manager's Report

Market Backdrop

After a highly volatile year, the MSCI ACWI + FM, a key benchmark index, finished down 18.4% with most equity markets across the world declining. It was a similar story in bond markets with the Bloomberg Global Treasury index down 17.5%. The start of the year was fraught with concerns about growing inflation and increasing interest rates before Russia's invasion of Ukraine dominated the news and impacted global prices of energy and commodities. These worries over inflation, interest rates and commodity prices eased slowly through the year, leading to stronger market performance in the last quarter.

Cumulative Portfolio Returns

	2022	2021	3 Years p.a.	5 Years p.a.
OWIL	**-13.8%**	16.1%	3.9%	4.3%
OWIL (Net)*	**-14.7%**	14.5%	2.7%	3.1%
Performance Benchmark**	**9.5%**	10.0%	7.9%	6.8%
MSCI ACWI + FM NR US$	**-18.4%**	18.5%	4.0%	5.2%
Bloomberg Global Treasury TR US$ (Unhedged)	**-17.5%**	-6.6%	-5.5%	-2.4%
MSCI Emerging Markets NR US$	**-20.1%**	-2.5%	-2.7%	-1.4%

* Net of management and performance fees. No performance fees were earned in 2022.
** The OWIL Performance Benchmark is an absolute benchmark of US CPI Urban Consumers NSA +3% p.a.

Portfolio Commentary

The investment portfolio declined by 13.8% over the year in contrast to a comparable portfolio represented by a 60:40 composite of the MSCI ACWI + FM index and the Bloomberg Global Treasury which fell by 18.2%. The portfolio's absolute benchmark (US CPI Urban Consumers NSA + 3%), which is inflation based, returned +9.5%, boosted by rising inflation.

Within the public market equity investments, the MSCI North American Net Return USD Index declined by 19.5% and the MSCI Europe Net Return USD Index declined by 15.1%. Long duration sectors, such as technology, which dominates the US market, were hit hard by concerns over rising interest rates while more traditional industries, such as energy, commodities and utilities, benefited. The market rotation away from growth stocks towards value stocks drove the decision to add Beutal Goodman US Value and Schroders ISF Global Recovery to the portfolio with both performing positively, returning 1.7% and 13.7%, respectively. Our largest position, Findlay Park American, declined 21.5% leaving it slightly behind the US index. Several thematic investments were more resilient, in terms of the market environment, with energy and commodities gaining 24.0% and declining 6.1%, respectively. A new position initiated in Polar Capital Global Insurance gained 12.9%. Our health care holdings were more mixed with Worldwide Healthcare Trust down 18.9% while RA Capital Healthcare fared relatively better, declining 10.5%.

The portfolio's private market investments were more resilient with many still seeing their value increasing and returning significant capital to investors. While there is often a time lag between public and private markets, several of our private investments in Europe, healthcare and venture continue to add value to their portfolios and be able to achieve strong exits of their portfolio companies. Additionally, many of our North American funds are now able to purchase assets at far more attractive prices.

Those of our investments that are designed to be less correlated to equity markets had a particularly strong year. The non-directional hedge funds, MKP Opportunity (+8.9%), Hudson Bay (+3.2%) and Keynes Dynamic Beta (+10.2%) all finished the year with a positive return as did the trend-following CTA funds, GAM Systematic Core Macro and Schroder GAIA BlueTrend. Our investment in BioPharma Credit, a healthcare secured lending specialist, also performed well returning 9.9%, as did our long/short government bond fund, Brevan Howard Absolute Return Government Bond (+7.5%), with its ability to go short proving crucial given the broad declines seen in world bond markets.

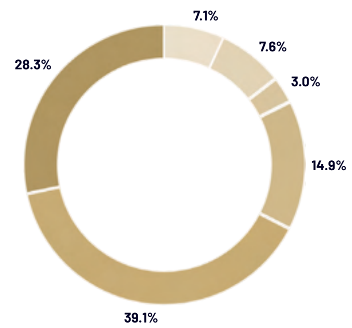
Looking Forward

Despite the rally of the past few months being underpinned by expectations that inflation and interest rates may have peaked and that some of the more pessimistic outlooks for the economy are now looking to be overly cautious, we would still advocate proceeding with some caution. We are yet to see a weakening of the economy or corporate earnings, many important economic indicators are still in expansionary territory and employment figures remain very strong in many key markets. With regards to inflation, whilst it is encouraging that some of the more cyclical factors appear to be rolling over, there is concern that some of the more structural factors will be more persistent and challenging to eliminate. This combination of stronger than expected growth together with stickier inflation is likely to make it harder for central banks to cut rates.

It seems likely that markets will face a period of continued uncertainty. It is very possible that the rally seen at the end of the year continues in the first part of 2023 with reports of inflation coming off its highs and global growth bolstered by China's reopening process. In contrast, if there is a growing realisation that inflation will be more permanent than many believe, then markets may well experience a setback. Weaker growth would suggest that central bank policy measures are working, in contrast, stronger growth is likely to lead to central banks being more aggressive, forcing rates higher, and ultimately driving economies into a much deeper recession. Hence, at this stage, while the building blocks are being put in place for better market conditions, our approach will be more circumspect with a longer-term view.

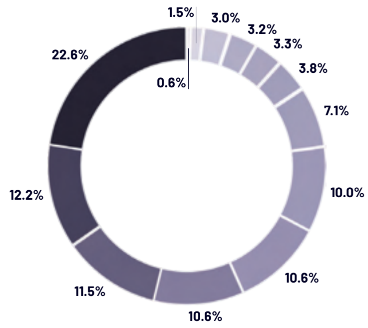
Hanseatic Asset Management LBG
March 2023

PRI Principles for Responsible Investment



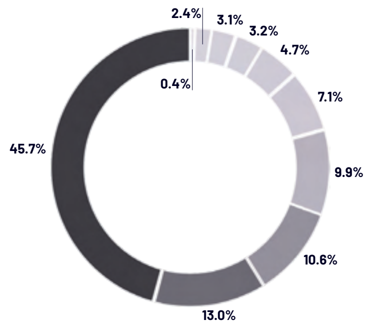
ASSET CLASS ALLOCATION

28.3%	Equities
39.1%	Private Equity
14.9%	Hedge Funds (directional)
3.0%	Bonds
7.6%	Hedge Funds (non directional)
7.1%	Cash/Liquidity Funds



SECTOR EXPOSURE

22.6%	Information Technology
12.2%	Consumer Discretionary
11.5%	Health Care
10.6%	Financials
10.6%	Diversified
10.0%	Industrials
7.1%	Cash/Liquidity Funds
3.8%	Materials
3.3%	Communications Services
3.2%	Consumer Staples
3.0%	Energy
1.5%	Real Estate
0.6%	Utilities



GEOGRAPHIC EXPOSURE

45.7%	North America
13.0%	Asia Pacific ex Japan
10.6%	Diversified
9.9%	Developed Europe ex UK
7.1%	Cash/Liquidity Funds
4.7%	Latin America
3.2%	UK
3.1%	Japan
2.4%	Middle East & Africa
0.4%	Emerging Europe

Investment Portfolio at 31 December 2022

	Market Value US$000	% of NAV	Primary Focus
Findlay Park American Fund	24,154	8.2	US Equities - Long Only
BlackRock Strategic Equity Hedge Fund	12,920	4.4	Europe Equities - Hedge
Select Equity Offshore, Ltd	10,597	3.6	US Equities - Long Only
NG Capital Partners II, LP	7,465	2.5	Private Assets - Latin America
Pangaea II, LP	6,823	2.3	Private Assets - GEM
BA Beutel Goodman US Value Fund	6,317	2.2	US Equities - Long Only
Stepstone Global Partners VI, LP	6,117	2.1	Private Assets - US Venture Capital
Pershing Square Holdings Ltd	5,836	2.0	US Equities - Long Only
iShares Core MSCI Europe UCITS ETF	5,758	2.0	Europe Equities - Long Only
Schroder ISF Asian Total Return Fund	5,669	1.9	Asia ex-Japan Equities - Long Only
Top 10 Holdings	**91,656**	**31.2**	
Polar Capital Global Insurance Fund	5,304	1.8	Financials Equities - Long Only
Silver Lake Partners IV, LP	5,304	1.8	Private Assets - Global Technology
Hudson Bay International Fund Ltd	5,266	1.8	Market Neutral - Multi-Strategy
Egerton Long - Short Fund Limited	4,957	1.7	Europe/US Equities - Hedge
NTAsian Discovery Fund	4,948	1.7	Asia ex-Japan Equities - Long Only
KKR Americas XII, LP	4,731	1.6	Private Assets - North America
Navegar I, LP	4,481	1.5	Private Assets - Asia
Indus Japan Long Only Fund	4,226	1.4	Japan Equities - Long Only
iShares Core S&P 500 UCITS ETF	4,165	1.4	US Equities - Long Only
TA Associates XIII-A, LP	4,152	1.4	Private Assets - Global Growth
Top 20 Holdings	**139,190**	**47.4**	
Baring Asia Private Equity Fund VII, LP	4,101	1.4	Private Assets - Asia
Schroder GAIA BlueTrend	3,771	1.3	Market Neutral - Multi-Strategy
Global Event Partners Ltd	3,647	1.2	Market Neutral - Event-Driven
Silver Lake Partners V, LP	3,616	1.2	Private Assets - Global Technology
Goodhart Partners: Hanjo Fund	3,563	1.2	Japan Equities - Long Only
GAM Star Fund PLC - Disruptive Growth	3,554	1.2	Technology Equities - Long Only
Schroder ISF Global Recovery	3,549	1.2	Market Neutral - Multi-Strategy
GAM Systematic Core Macro (Cayman) Fund	3,342	1.1	Market Neutral - Multi-Strategy
Worldwide Healthcare Trust PLC	3,295	1.1	Healthcare Equities - Long Only
Reverence Capital Partners Opportunities Fund II	3,222	1.1	Private Assets - Financials
Top 30 Holdings	**174,850**	**59.5**	
Remaining Holdings	**98,081**	**33.4**	
Cash and cash equivalents	**20,895**	**7.1**	
TOTAL	**293,826**	**100.0**	

Wilson Sons Management Report

The Wilson Sons 2022 Earnings Report was released on 23 March 2023 and is posted on www.wilsonsons.com.br.

In the report, Mr Fernando Salek, CEO of Wilson Sons, said:

"Wilson Sons' 2022 revenues of US$440.1 million were 11.0% higher than the prior year (2021: US$396.4 million), and EBITDA of US$181.8 million (R$939.0 million) was 14.1% above the comparative with resilient towage and logistics results. In R$ terms, EBITDA increased 9.3% year-over-year.

Towage results rose 4.1% with an increase in average revenue per manoeuvre and special operations. During the year, our shipyard delivered WS Centaurus and WS Orion, the first two of a six-tugboat series with over 90 tonnes of bollard pull. Both vessels are in operation serving the largest bulk carriers currently calling at Brazilian ports, with capacities reaching 400,000 tonnes deadweight.

Container terminal results were impacted by the global limited availability of empty containers and logistics bottlenecks causing vessel call cancellations. However, the situation has started to improve with aggregated volumes up 16.1% year-over-year in January 2023.

Demand for our offshore energy-linked services improved markedly as vessel turnarounds in our offshore support base division increased 30.6% over 2021 and operating days in our non-consolidated offshore support vessel joint venture rose 20.1% year-over-year. In the last quarter of 2022, new support-base contracts were signed with Petronas and 3R Petroleum. Under the Petrobras support-base contract, PSVs Torda, Biguá and Fulmar also began new four-year operating contracts.

Looking back over the past two years of turmoil to global supply chains created by the pandemic we are pleased to report that Wilson Sons performed and managed these challenges while continuing growth, ensuring the safety of our employees, and the continuity of excellent service to our customers and trade flow partners. We continue to advance the world-class performance of our infrastructure, maintain the safety levels of our operations, and consistently seek opportunities to leverage our market position, the resilience of our business model and the versatility of our services to challenge and transform maritime transport for the benefit of all our stakeholders."

KPIs	**2022**	2021	Change
Towage			
Number of harbour manoeuvres	54,865	54,389	0.9%
Offshore support bases			
Number of vessel turnarounds	785	601	30.6%
Number of operating days	6,488	5,400	20.1%
Container terminal – aggregated Volumes			
Exports – full containers	254.5	306.2	-16.9%
Imports – full containers	129.3	150.4	-14.0%
Cabotage – full containers	122.7	121.1	1.3%
Inland Navigation – full containers	21.3	22.2	-4.1%
Transhipment – full containers	142.2	160.2	-11.2%
Empty containers	245.8	282.2	-12.9%
Total Volume	**915.8**	**1,042.3**	**-12.1%**

Financial Report

Operating Profit

Operating profit of US$112.1 million (2021: US$97.0 million) was US$15.1 million better than the prior year. Operating margin improved year over year to 25.5% (2021: 24.5%) principally due to an 11.0% increase in revenues and lower foreign exchange losses on monetary items.

Operating expenses increased US$31.0 million driven by higher costs for both raw materials and employee related costs. Raw materials and consumables used were US$9.0 million higher at US$33.0 million (2021: US$24.0 million). Employee charges and benefits expenses were US$14.3. million higher at US$126.3 million (2021: US$112.0 million) although remained relatively unchanged as a percentage of revenue at 28.7% (2021: 28.3%). Other operating expenses increased US$7.8 million to US$106.1 million (2021: US$98.3 million) driven by increases in freight charges and utilities costs. Depreciation increased to US$62.0 million (2021: US$58.7 million) due to the planned increases in capital spending during the year.

Revenue from Maritime Services

Revenue for the year increased by 11.0% to US$440.1 million (2021: US$396.4 million) attributed to higher towage manoeuvres, growth in the offshore support bases contracts, warehousing and ship agency services. Harbour manoeuvre revenues increased 12.8% to US$201.4 million (2021: US$178.6 million) and the offshore support bases revenue increased 47.2% to US$10.6 million (2021: US$7.2 million) with the start of new contracts during the year.

Returns on the Investment Portfolio

Returns on the investment portfolio were a loss of US$47.9 million (2021: gain of US$49.5 million) and comprised realised profits on the disposal of financial assets of US$24.3million (2021: US$11.9 million), net income from underlying investments of US$11.8 million (2021: US$3.8 million) and unrealised losses of US$80.0 million (2021: unrealised gains of US$33.9 million). Additionally, the only Russia focused investment was written off during the year for a loss of US$4.1 million.

Other Investment Income

Other investment income for the year increased US$4.3 million to US$8.4 million (2021: US$4.1 million). Increased interest on bank deposits and higher other interest income were the contributing factors.

Finance Costs

Finance costs for the year at US$34.5 million were US$4.3 million higher than the prior year (2021: US$30.2 million) due to interest on lease liabilities and interest on bank loans increasing.

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 2022 the BRL appreciated 6.5% against the USD from R$5.58 at 1 January 2022 to R$5.22 at the year end. In 2021 the BRL depreciated 7.1% against the USD from R$5.20 at 1 January 2021 to R$5.57 at the year end. The foreign exchange gains on monetary items were US$1.6 million in 2022, compared to a loss of US$3.1 million in 2021.

Profit Before Tax

Profit before tax for the year decreased US$72.3 million to US$38.1 million compared to US$110.4 million in 2021. The decline in profit is primarily due to the unrealised losses in valuation of the investment portfolio which contributed negative returns of US$47.9 million compared to a positive return of $49.5 million in the prior year in common with macro trends globally.

The tax charge for the year at US$26.7 million was US$1.2 million lower than prior year (2021: US$27.9 million). The Company is taxed on its maritime services operations. This represents an effective tax rate for the year of 29% (2021: 40%) for maritime services. A more detailed breakdown of taxation reconciling the effective tax rate is provided in note 9 to the consolidated financial statements.

Loss/Profit for the year

The loss for the year attributable to the equity holders of the Company is US$18.6 million (2021: US$63.7 million profit) and the profit attributable to the non-controlling interests is US$30.2 million (2021: US$18.8 million profit). While the US$25.1 million increase in Wilson Sons' profit after tax was attributed to both the equity holders of the Company and the non-controlling interests based on ownership, the US$47.9 million loss on the investment portfolio (2021: US$49.5 million gain) was only attributed to the equity holders of the Company since the Company has full ownership of it.

Cash Flows

Net cash inflow from operating activities for the period at US$97.1 million was US$9.0 million lower than prior year (2021: US$106.1 million). Capital expenditure for the year at US$63.3 million was US$15.9 million higher than the prior year (2021: US$47.4 million).

The Group drew down new bank loans of US$59.8 million (2021: US$19.4 million) to finance capital expenditure, while making repayments of US$49.3 million (2021: US$57.9 million). Dividends of US$24.8 million were paid to shareholders of Ocean Wilsons (2021: US$24.8 million).

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 2025, taking into account the current position and the 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 2025.

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 and the current global dislocation, the Directors have determined that a three-year period to 31 December 2025 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 distinctly separate operating segments and that 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 positively. Operational activities are funded by cash generated from operations while borrowings are used to finance capital expenditure. The Wilson Sons borrowings are generally long-term with defined repayment schedules over different periods up to 18 years. There is no recourse from Wilson Sons to the rest of the Group in respect of these borrowings. Wilson Sons is not reliant on one customer: its largest customer constituted approximately 11% of its revenue in 2022 (2021: 11%).

Ocean Wilsons (Investments) Limited

In making the assessment for the investment portfolio, the Board has considered matters such as the potential for 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 2022 was US$293.8 million with outstanding capital commitments of US$50.4 million and no debt. At 31 December 2022 the investment portfolio had US$20.9 million in cash and cash equivalents and daily liquidity of $94.8 million. This available liquidity covers 188% of the capital commitments on the remote chance that there was a need to fund all of the commitments at one time.

The Directors' assessment is that if severe but plausible downside scenarios were to crystallise, many of the individual risks disclosed would be likely to be confined to one of 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.

Risk Management

During the year, the Board reviewed the effectiveness of the systems of risk management and internal control. As part of this assessment the Board updated its risk appetite and developed a risk appetite statement to set the level of risk that the Board is willing to take, or tolerate, to achieve our strategic objectives.

The Company's risk appetite approach considers three business objectives:

- Long-term shareholder returns – open and flexible approach to risk, actively looking for accretive return opportunities that are consistent with maintaining a long-term diversified portfolio;
- Investment access to markets and opportunities – balanced approach to risk, seeking to optimise capacity and talent focusing on value along with pursuing reliable, long standing and sustainable relationships; and
- Safety in operating environments – adverse risk approach, safety is of paramount importance.

Risk appetite is not a single fixed concept. For example, it may be higher where we are prepared to tolerate more risk to achieve a specific outcome or aim for an enhanced return or lower where we need to reduce risk exposure to protect an asset or the Company's reputation. There is zero-tolerance for risk as it relates to the safety of our workforce.

The Board will continue to review and update the risk appetite statement annually to ensure it remains consistent with the Group's strategy and the environment in which we operate.

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 reviewed annually by the Audit and Risk Committee. The Board is satisfied that these processes are operating effectively.

The principal risks and uncertainties are described below and additionally note 30 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 and Emerging Risks	Mitigation
Market Risk	
Price risk The Group's investments activities expose it to movements in equity valuations.	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 commitments that may put pressure on the Group to sell an investment solely due to its price movements. The investment portfolio is invested in a diversified range of asset classes and markets, as such the Group is not overly exposed to one particular market or asset class.
Currency risk The Group's investment activities expose it to movements in foreign currency exchange rates. The functional currency of the Group is US Dollars. Our investment in Wilson Sons has a significant exposure to the Brazilian Real.	We do not take speculative positions in non-US Dollar denominated assets. The Group (outside of Wilson Sons) does not have material non-US dollar denominated liabilities. The majority of cash and liquid assets are maintained in US Dollars. Ocean Wilsons does not hedge its exposure to overseas subsidiaries as the functional currency of Wilson Sons is US dollars. 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.
International trade risk Demand for Wilson Sons services is substantially dependent on overall volume of Brazilian domestic and international trade. Wilson Sons onshore and offshore support bases are dependent on the Brazilian offshore oil and gas industry.	Wilson Sons is a market leader in many of its business segments – providing diversification in the service offerings. Wilson Sons maintains levels of capital expenditure and investment in assets and people to be competitive and seek opportunities to drive efficiencies. The majority of the 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.
Operational risk	
Risks arising from inadequate or failed processes, people and systems or other external factors. Key operational risks include reliance on third party managers and suppliers, process failures, fraud, reliability of core systems and IT security issues.	During the year, the Remuneration and Management Oversight Committee reviewed the Investment Manager's and third-party vendor performance. The Audit and Risk Committee reviewed the independent internal control reports for major providers and satisfied itself with their processes and internal controls. The Audit and Risk Committee received a presentation from Wilson Sons which provided an overview of IT access controls, backup and security and reported that there were no breaches during the year.

Principal and Emerging Risks	Mitigation
Regulatory and legal risk	
ESG Compliance Risk – compliance with ESG regulations and reaching emission targets set.	OWIL's Investment Manager became a signatory to the UN Program for Responsible Investing in 2022. Wilson Sons monitors and trains its employees to reduce if not eliminate injury and improve safety in the work environment. We invest in the communities in which we operate through charitable giving and community service. The Company's Board and management includes 2 female non-executive Directors and 1 female executive. A female Chair was appointed in May 2022. Wilson Sons continues to improve its gender balance with 30% females in management at 31 December 2022.
Climate related risks	
Climate change and extreme weather events may impact our business or the businesses of our customers. 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.	The Company continues to assess, monitor and evaluate the potential impacts resulting from climate change and extreme weather events including regulatory risk that may result in government actions prompted by climate change that could impact our operations. The Company seeks opportunities to invest in technology and implement operational efficiencies to reduce greenhouse gas emissions. The Company's report on carbon emissions can be found on page 32. The Company's TCFD report found on page 35 describes further mitigation and approach to climate risk.
Emerging risks	
Our Brazilian businesses operate in a highly regulated environment and are subject to complex tax laws and regulations. The Brazilian Congress is discussing a number of tax reforms which include proposals to create a 15% ordinary withholding tax on dividends, and a 25% withholding tax when payments are made to what it deems to be low-tax jurisdictions.	Our businesses and markets are subject to complex laws and regulations which significantly impact how we operate. It is possible that regulations, taxes or laws may change in the future and may increase our costs or affect the manner in which we operate which could have an adverse effect on us. We dedicate a significant amount of time and resources to understanding laws and regulations and analyse the potential impacts of changes in laws or regulations on our business operations. This is so we can react in an efficient and timely manner and ensure compliance with laws and regulations.
Changing geo-political environment and regulatory policies. Long-term impact of Russia-Ukraine conflict on international trade and pricing. Long-term impact on China's supply chain interruption on international trade and pricing.	Our response to this risk is to diversify portfolio assets to avoid significant exposure to specific political risks. Investment decisions take account of suitable risk premia in economies and financial markets most susceptible to political intervention. OWIL wrote off the value of its one holding in a Russian investment fund in 2022 and has no other Russian assets. OWIL monitors its holdings in funds related to US sanctioned Chinese companies through its fund managers. Diversity in the product mix of Wilson Sons is offsetting lower container volumes. Investment decisions to improve operating margins through more efficient use and allocation of resources continues. Wilson Sons has reviewed its customer and vendor list to ensure there are no sanctioned contacts and continue to monitor to ensure compliance.

SECTION TWO

Governance Report

Report of the Directors

Compliance with the UK Governance Code

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). The Company complies with all applicable elements of the Code and has done so throughout the year and up to the date of this report.

Matters Reserved for the Board

The Board has a formal schedule of matters specifically reserved for its approval which includes:

- Determining the Company's purpose, values and strategy and satisfying itself that these and its culture are aligned;
- Approving significant matters relating to capital expenditure, acquisitions and disposals and consideration of significant financial matters;
- Reviewing the Company's overall corporate governance arrangements;
- Approving the annual and interim reports;
- Approving the dividend policy and proposing any dividend recommendations to shareholders;
- Reviewing any potential conflicts of interest and, where appropriate, approving a specific conflict of interest;
- Determining the respective terms of reference, membership and Chair of Board committees; and
- Undertaking an annual evaluation of its own performance, that of its committees and that of individual Directors.

The full schedule of matters reserved can be found on the Company's website: www.oceanwilsons.bm.

Board Meetings

The agenda for each scheduled Board meeting is set by the Chair with the assistance of the Chief Operating and Financial Officer. Agendas are structured to allow sufficient time for discussion and debate and to ensure that the Board covers all items it needs to be able to discharge its duties.

Conflicts of Interest

The Board has in place a procedure for the consideration of conflicts or possible conflicts of interest including a specific annual consideration of 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 independent judgement by requiring disclosure of outside interests, encouraging a culture of openness and debate amongst Board members and promoting independence of thought.

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

Directors' Time Commitment and Training

Non-executive Directors hold letters of appointment. The other substantive commitments of Directors are disclosed on page 23 and the Board is satisfied that these commitments do not conflict with their ability to effectively carry out their duties as Directors of the Company. The Board ensures that Directors have sufficient time to undertake their duties through reviewing their other directorships and by monitoring attendance and participation at Board meetings.

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.

All new Directors participate in an induction program upon joining the Board. This covers such matters as strategy, operations and activities of the subsidiaries and corporate governance matters. Site visits and meetings with senior management are also arranged. Directors additionally make periodic operational site visits during their term and are provided with industry and regulatory updates as part of their ongoing training.

The Company Secretary and the Chief Operating and Financial Officer are responsible for advising the Board on all corporate matters. Each Director has access to the advice and services of the Company Secretary and the Chief Operating and Financial Officer.

The Board

The Board at 31 December 2022 was comprised of five non-executive Directors. Two Directors are assessed to be independent under the Code: Mr Andrey Berzins and Ms Fiona Beck; and the Board considers the Chair, Ms Caroline Foulger, also to be independent. 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. The Board still considers 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 and behaviour. A formal assessment of this matter was performed in 2022. The Board has appointed Mr Berzins as the senior independent Director.

In accordance with the Company's byelaws, all Directors retire at each Annual General Meeting and being eligible, offer themselves for re-election until the following Annual General Meeting.

All Directors are subject to annual re-election by shareholders. 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 develops succession plans and assesses Board composition.

The division of responsibilities between the Chair and the senior independent non-executive Director have been clearly established, set out in writing, agreed by the Board and is available on the Company's website.

Board and Committee Meeting Attendance

	BOARD	AUDIT AND RISK COMMITTEE	NOMINATION COMMITTEE	REMUNERATION AND MANAGEMENT OVERSIGHT COMMITTEE
Number of Scheduled Meetings	**5**	**6**	**2**	**2**
Ms Caroline Foulger (1)	4 / 5	4 / 4	1 / 1	2 / 2
Mr William Salomon	5 / 5	-	2 / 2	-
Mr Andrey Berzins	5 / 5	6 / 6	2 / 2	2 / 2
Ms Fiona Beck	5 / 5	6 / 6	-	2 / 2
Mr Christopher Townsend	5 / 5	-	-	-
Mr José Francisco Gouvêa Vieira (2)	2 / 2	-	-	-

(1) Ms Foulger became Chair on 27 May 2022 at which time she retired from the Company's Audit and Risk Committee. Ms Foulger did not attend the Company's Nomination Committee meeting at which the recommendation to appoint her as Chair was an agenda item. Ms Foulger was unable to attend one Board meeting due to another long-standing commitment, however, Ms Foulger reviewed all Board papers for this meeting and discussed her position on the agenda items in advance of the meeting with the Deputy Chair so that her views were represented and considered.

(2) Mr Gouvêa Vieira retired from the Board on 26 May 2022, he was present at all Board meetings up to that date.

Board of Directors' Interests

The Directors who held office at 31 December 2022 had the following interest in the Company's shares:

	Interest	2022	2021
Mr William Salomon*	Beneficial	4,659,349	4,659,349
Mr Christopher Townsend*	Beneficial	4,040,000	4,040,000
Ms Caroline Foulger (Chair)	Beneficial	25,000	15,000
Ms Fiona Beck	Beneficial	15,000	8,000
Mr Andrey Berzins	Beneficial	13,000	5,000

* Additional indirect interests of Mr. Salomon and Mr. Townsend in the Company are set out in substantial shareholdings below.

Mr Salomon is Chair of Hanseatic Asset Management LBG. Mr Townsend is a Director of Hanseatic Asset Management LBG and director of Hansa Capital GmbH, a wholly owned subsidiary of Hanseatic Asset Management LBG. Fees paid by the Company to Hanseatic Asset Management LBG during the year amounted to US$3.0 million (2021: US$3.3 million) for acting as Investment Manager of the Group's investment portfolio. There is no performance fee payable to the Investment Manager in 2022 (2021: US$1.6 million). The terms of, and the performance of the Manager under this contract are annually reviewed by the independent Directors.

Substantial Shareholdings

At 31 December 2022 the Company was aware of the following holdings of its shares, in excess of 3% of the issued ordinary share capital:

Name of holder	Number of shares	% Held
Hansa Investment Company Limited	9,352,770	26.45
Victualia Limited Partnership	4,435,064	12.54
Mr Christopher Townsend	4,040,000	11.42
City of London Investment Management Company	1,745,361	4.94
ICM Limited	1,167,762	3.30

The Company has been advised that Mr Salomon has an interest in 4,435,064 shares registered in the name of Victualia Limited Partnership. The Company has also been advised that Mr Salomon has an interest in 27.9% and Mr Townsend an interest in 25.9% of the voting shares of Hansa Investment Company Limited.

Contracts and Agreements with Substantial Shareholders

Mr Salomon and Mr Townsend are interested in the investment management agreement with Hanseatic Asset Management LBG. Both Mr Salomon and Mr Townsend receive remuneration from Hanseatic Asset Management LBG.

The 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 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 Board-approved guidelines. The Board of Ocean Wilsons (Investments) Limited has a formal schedule of matters specifically reserved for its attention which include:

- The appointment, removal and terms of the Investment Manager agreement;
- The determination of the investment guidelines and restrictions in conjunction with the Investment Manager;
- The approval of the investment objective and benchmark;
- The approval and setting of limits on any use of derivative instruments;
- The review of the performance of the Investment Manager;
- The appointment, removal and terms of the custodian of the investment assets;
- The approval and setting of borrowing limits;
- The approval of the annual accounts for Ocean Wilsons (Investments) Limited; and
- The approval of any dividends.

Internal Controls

The Board is responsible for the system of internal controls and for reviewing its effectiveness. The Company's Audit and Risk Committee assists the Board in monitoring the effectiveness of our internal controls 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. These controls have been in operation throughout the year. The internal controls are designed to identify, evaluate, manage and appropriately mitigate rather than completely eliminate risk.

The Board reviews the need for an internal audit department annually and currently considers no internal audit function is required based on the following considerations: Wilson Sons has an independent audit committee and an internal audit function and both Hanseatic Asset Management LBG, the Investment Manager of Ocean Wilsons (Investments) Limited, and its portfolio custodian, Lombard Odier, 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 is segregation of duties between the Investment Manager and the preparation of accounts for our investment portfolio as this is performed by an independent professional accounting firm. Additionally, the Wilson Sons Audit Committee reports on key matters such as internal controls, whistleblowing, legal matters, internal audit and IT to the Company's Audit and Risk Committee. No material items were reported in 2022.

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.

Auditor

KPMG Audit Limited ("KPMG") were re-appointed as the Company's independent auditor at the 2022 annual general meeting. KPMG have expressed their willingness to continue in office as the independent 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.

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 Consolidated Financial Statements and Half Year Financial Report. The Annual General Meeting of the Company is held in Bermuda. If a significant proportion of the votes is cast against a resolution at an Annual General Meeting the Board will speak with significant dissenting shareholders to understand the reasons. The Company's website www.oceanwilsons.bm includes the annual and interim reports and stock exchange announcements.

Dividends

Dividends are declared and paid in US Dollars and are currently paid annually. The Ocean Wilsons current dividend policy is to pay a percentage of the average capital employed in the investment portfolio determined annually by the Board together with the Company's dividend received from Wilson Sons after deducting funding for the parent company costs. The Board may review and amend the dividend policy from time to time in consideration of future plans and other strategic factors.

The Board is recommending a dividend of US 70 cents per share to be paid on 15 June 2023 to shareholders of record of the Company as of the close of business on 19 May 2023. Shareholders will receive dividends in Sterling by reference to the exchange rate applicable to the USD on the dividend record date (19 May 2023) except for those shareholders who elect to receive dividends in USD. Based on the share price at 22 March 2023 and exchange rates a dividend of US 70 cents per share represents a dividend yield of approximately 6.4%.

Strategy, Purpose and Values

The Board is responsible for setting the Company's purpose, strategy and values which are annually reviewed.

Company Purpose

The Company's purpose is to deliver enhanced long-term value by balancing portfolio risks 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 or 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 without undue emphasis on short-term movements in equity markets. The investment portfolio is invested in both publicly quoted and private (unquoted) assets in three components:

- *Core Regional & Thematic Component* – this forms the core of the portfolio and provides global exposure mostly through single-country and regional equity funds. The respective weights of these at any given time reflect the Investment Manager's current market outlook. Thematic funds are included to provide exposure to growth sectors such as technology and biotechnology.

- *Private Equity Component* – in line with the portfolio's long-term investment horizon we invest in private equity funds. This provides access to the higher potential investment returns available by being able to commit capital for multiple years and also to large areas of the economy that are not generally or easily accessible through public markets.
- *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.

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 towage, container terminals, logistics, oil and gas support terminals, shipyard and through our joint venture, offshore support vessels.

Company Values

The Company's core values are:

- Safety – provide a safe operating environment for our employees;
- Respect – for the environment and the communities in which we operate and the people who work for us;
- Commitment – have meaningful long-term relationships with our stakeholders; and
- Ethics – to act in a truthful, fair and honest way in all our dealings.

Directors

Ms Caroline Foulger **(Chair)**

Ms Foulger is aged 62 and is a Chartered Accountant with significant company director experience on boards of both listed and unlisted companies. Ms Foulger was appointed to the Board in 2020. She serves as a non-executive Director for Atlas Arteria International Ltd. and Oakley Capital Investments Limited and is a retired partner of PwC Bermuda. Ms Foulger is a member of the Company's Remuneration and Management Oversight Committee and is Chair of the Company's Nomination Committee. Ms Foulger is also the Chair of Ocean Wilsons (Investments) Limited.

Mr William Salomon **(Deputy Chair)**

Mr Salomon is aged 65 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.

Mr Andrey Berzins

Mr Berzins is aged 63 and joined the Board in 2014. He is a Chartered Accountant and sits on the Boards of several Luxembourg 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.

Ms Fiona Beck

Ms Beck is aged 57 and joined the Board in 2020. She is a Chartered Accountant and an experienced independent Director on several listed and unlisted companies. She is the retired President and CEO of Southern Cross Cable Network. Ms Beck is a non-executive Director on Oakley Capital Investments Limited and IBEX Ltd and is Chair of Atlas Arteria International Ltd. Ms Beck is a member of the Company's Audit and Risk Committee and is Chair of the Company's Remuneration and Management Oversight Committee.

Mr Christopher Townsend

Mr Townsend is aged 49 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.

Nomination Committe Report

Membership

- Ms Caroline Foulger (Chair)
- Mr William Salomon
- Mr Andrey Berzins

Report from the Nomination Committee Chair on the actions taken by the Committee to discharge its duties:

Meetings

The Committee met twice during the year.

Key Roles and Responsibilities

The Nomination Committee has formal terms of reference approved by the Board which are reviewed on an annual basis or more often if needed. The full terms of reference 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 to the Board, and oversee the development of a diverse pipeline for succession, considering the Company's strategic priorities;
- To identify and nominate, for the approval of the Board, candidates to fill Board and Committee vacancies as and when they arise;
- To approve Directors' external appointments;
- To lead a regular review of the Board structure, size and composition (including skills, knowledge, diversity and experience); and
- To manage and review the results of annual Board effectiveness evaluations.

Succession Planning

New appointments to the Board are made as required keeping in mind the balance of skills, knowledge, experience and diversity that currently exists on the Board. When a decision has been made to recruit an additional Director, the Committee will consider engaging external recruitment agencies to facilitate a search. The Committee will assess candidates against objective criteria, giving regard to the benefits of diversity on the Board, while ensuring that the candidates recommended for appointment will bring the necessary skills, insight and be able to allocate sufficient time to the Company. During 2020 and 2021 there was significant turnover on the Board which followed this process.

During the year, Ms Caroline Foulger was appointed as the Chair of the Board upon the retirement of Mr José Francisco Gouvêa Vieira. The senior independent Director and Deputy Chair conducted an internal assessment of the Board and made the recommendation that the Board appoint Ms Foulger. There were no other new appointments to the Board.

The Committee discussed the tenure of each of the Directors when considering recommendations for reappointment. It was noted that Mr Berzins will have served as Director for 9 years in June of 2023. Mr Berzins' contributions at the Board level and additionally, as the senior independent Director and Chair of the Company's Audit and Risk Committee, continue to be valuable and strategic to the success of the Company. With the recent refresh of the Board Chair, the Committee believes that the Board has the appropriate mix and skills and that it is important to maintain continuity and corporate knowledge. As such the Committee has recommended to the Board that Mr Berzins be reappointed as a Director and is considered to remain independent as he does not have any other relationship with the Company and is not part of the Company's executive team or operations.

The Committee also acknowledges that Mr William Salomon and Mr Christopher Townsend are substantial shareholders of the Company and are both Directors. The Committee reviews all conflicts of interest on an annual basis and ensures that the Board and its Committees apply the necessary independent thinking and recusals on those matters that involve a conflict.

Directors' and Board Performance Evaluations

For 2022, the Committee assessed the composition of the Board and its performance and effectiveness, both collectively and for individual Directors. For 2022, the review was conducted internally using an informal approach as a more formal questionnaire approach was taken in the prior year. The Chair met individually with each Director and the appraisal of the Chair was led by Mr Berzins, the senior independent Director.

The areas covered with the individual Directors and by the Board were the investment strategy and performance of OWIL, the operating results and strategy of Wilson Sons and the longer-term view on the overall strategy of the Company. A review of the performance of the Board as a whole was included in the evaluation process together with an assessment of the independence of each Director and their performance and time commitment to their duties.

The Committee concluded that the Board's range of skills were effective and diverse and that each Director had a clear understanding of the underlying businesses and the opportunities and risks that the Company faces.

Diversity Policy

The Company's diversity policy is that the Board should be comprised of individuals who collectively have the range of skills needed to implement the Company's strategy. All appointments and reappointments will be made on merit judged against objective criteria within the context of the balance of skills and backgrounds that the Board requires to implement the Company's strategy and to function optimally as a collective.

The Board believes that the Company and its stakeholders benefit from a Board with diversity of skills, knowledge, experiences, backgrounds and perspectives. Diversity also considers age, gender, ethnicity, nationality, educational or professional background, culture and personal styles and perspectives.

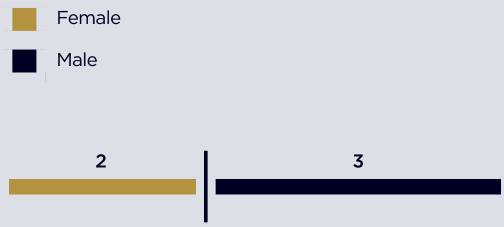
In 2022 there were no new appointments to the Board. There was an appointment of a new Chair from the existing Director pool at the time of the planned retirement of the former Chair. As part of the Board succession planning, in 2020 two new Directors were appointed which expanded the Board's skills and its gender, age, nationality and cultural diversity.

Caroline Foulger
Chair of the Nomination Committee
23 March 2023

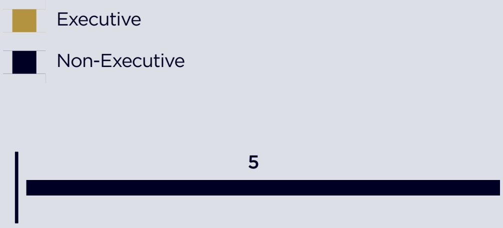
Board Statistics

5 DIRECTORS

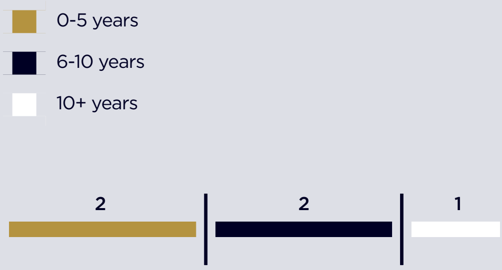
GENDER BALANCE



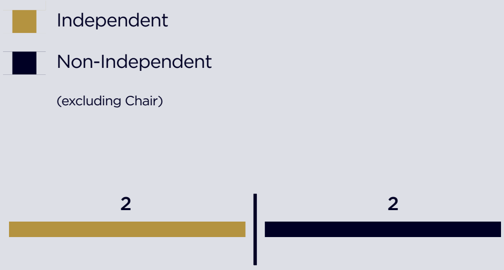
EXECUTIVE | NON-EXECUTIVE



TENURE



INDEPENDENT | NON-INDEPENDENT



Remuneration and Management Oversight Committe Report

Membership

- Ms Fiona Beck (Chair)
- Ms Caroline Foulger
- Mr Andrey Berzins

Report from the Remuneration and Management Oversight Committee Chair on the actions taken by the Committee to discharge its duties:

Meetings

The Committee met twice during the year.

Key Roles and Responsibilities

The Remuneration and Management Oversight Committee has formal terms of reference approved by the Board which are reviewed on an ongoing basis. The full terms of reference are available on the Company's website. The principal responsibilities of the Committee 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;
- To conduct an annual review of the Investment Management agreement with Hansa Capital; and
- To review the performance of material third-party service providers and other management oversight as required.

Remuneration Policy

The Company's remuneration policy aims to align the interests of the executive and the Board 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 and Management Oversight Committee is responsible for setting non-executive Directors' fees. Fees are structured as a basic fee for Board membership and an additional fee for each Committee Chair. Non-executive Director fees are reviewed usually every three years. The Committee completed an extensive fee review in 2022: as part of this review the remuneration policy was amended to require that all Directors purchase and hold shares in the Company's stock equivalent to a minimum of their annual Director's fee.

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 other non-executive Directors reflect the time commitment and responsibilities of the role and are benchmarked against comparable companies and considering the Board evaluation. There are no share options or other performance related elements. The Committee's 2022 review of Directors' fees supports that the current limit of Directors' fees is appropriate and it is not recommending any changes to these limits. During the year ended 31 December 2022, the Company paid Directors' fees of US$0.7 million (2021: US$0.6 million).

The board of Wilson Sons is responsible for all remuneration matters relating to Wilson Sons and its subsidiaries. Mr William Salomon and Mr Christopher Townsend are directors of Wilson Sons. These Directors received directors' fees of US$66,000 (2021: US$66,000) from Wilson Sons during the year 2022 in addition to their fees as Directors of Ocean Wilsons. Additionally, both Mr Salomon's and Mr Townsend's Directors' fees for Ocean Wilsons are reduced by 30% from the base Directors' fee in consideration of this. There are no additional fees payable to Directors for the services on the Board of Ocean Wilsons (Investments) Limited.

The table below sets out fees paid to Directors during the year.

Director	Role	2022 Committee Chair Fee*	2022 Director Fee*	2022 Total Fees Paid to Directors*	2021 Total Fees Paid to Directors*
JF Gouvêa Vieira	Chair until 27 May 2022	-	40	40	100
C Foulger	Chair from 27 May 2022	-	107	107	-
C Foulger	Independent non-executive Director	15	47	62	117
A Berzins	Independent non-executive Director	15	116	131	117
F Beck	Independent non-executive Director	15	116	131	117
C Townsend	Non-executive Director	-	91	91	80
W Salomon	Non-executive Director	-	91	91	80
	TOTAL	**45**	**608**	**653**	**611**

** Expressed in thousands of US Dollars*

Directors' Shareholding Guidelines

In 2022, the Committee recommended to the Board that each Director should own the equivalent of at least their annual Director's fee in Company shares. This recommendation was accepted and all Directors were compliant with this requirement at the year end and at the issuance of this report.

Performance of Third-Party Service Providers

The Committee, in conjunction with the Chief Operating and Financial Officer, carries out an annual review of the Investment Manager's and significant third-party service providers' performance.

The Investment Manager evaluation considers whether the contractual obligations are being met and if the remuneration structure in place remains appropriate for the Company to meet its investment objectives, is competitive and is in the interests of shareholders. The evaluation also considers the quality of the team and how the Investment Manager prioritises the Company within its client base.

Following its review of the Investment Manager, the Committee concluded that the Investment Manager was meeting its obligations under the investment management agreement and that its fee structure was competitive compared to industry bench marking. Based on the performance of the portfolio in 2022, no performance fee was payable to the Investment Manager and as such, no review of this was required by the Committee.

Fiona Beck
Chair of the Remuneration and Management Oversight Committee
23 March 2023

Audit and Risk Committee Report

Membership

- Mr Andrey Berzins (Chair)
- Ms Fiona Beck

As the Company meets the requirements of a smaller company under the UK Corporate Governance Code, the Audit and Risk Committee is comprised of two independent non-executive Directors.

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

Meetings

The Committee met six times during the year. The Chief Operating and Financial Officer of Ocean Wilsons attended each of these meetings. The Committee meets with the external auditor without the Chief Operating and Financial Officer present to receive feedback on the team's performance.

Key Roles and Responsibilities

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

- Financial and narrative reporting
  - To review the integrity of the interim and full year consolidated financial statements of the Company, including reviewing the significant accounting policies and judgements included in them.
  - To 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.
- External audit
  - To make recommendations to the Board, for it to put to the shareholders for their approval at a 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.
  - To 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 any non-audit services provided by the external auditors and ensure that their independence is maintained.
- Risk management and internal controls
  - To review the adequacy of the Company's internal control and risk management systems.
  - To review the Company's risk register and assess the Company's emerging and principal risks to be reviewed annually with the Board.
  - To consider the need for an internal audit function.
- Compliance and fraud
  - To review the adequacy of the Company's whistleblowing procedures and the policies related to fraud, bribery and anti-corruption.

Financial and Narrative Reporting

During the year, the Committee reviewed the December 2021 annual report and consolidated financial statements, the June 2022 half yearly financial report and the quarterly updates issued in May and November 2022. As part of the review of the December 2021 Annual Report and Consolidated Financial Statements, the Committee received a report from the external auditor on their audit work performed on the Annual Report and Consolidated Financial Statements.

The Committee also assessed the 2022 annual report and accounts taken as a whole, to be fair, balanced and understandable and that they provide the information necessary for shareholders to assess the performance, strategy and business model of the Company. The Committee determined that the key risks of misstatement in the Group's 2022 financial statements relate to:

- *Provisions for tax, labour and civil cases* – In the normal course of its operations in Brazil, Wilson Sons is exposed to numerous local legal claims. The reporting risk relates to the completeness of claims recorded and the estimation of the provisions held against these exposures. Provisions are measured at management's best estimate of the expenditure required to settle the obligation based on prior experience, Wilson Sons' best knowledge of the relevant facts and circumstances and legal advice received. 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, reviewed legal reports from Wilson Sons management, asked questions on the background and progress of material claims and evaluated the current level of provisions in light of historical trends and claim history to ensure provisions were adequate. The Committee 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 was satisfied that the significant assumptions used were appropriate and was satisfied with the disclosures in the consolidated financial statements. The Committee also discusses potential risks surrounding legal claims with the external auditor and reviewed their audit findings.

- *Revenue recognition* – The reporting risk could arise from inappropriate revenue recognition policies, incorrect application of policies or cut-off errors surrounding year end. The Committee considered the Wilson Sons' 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.

- *Impairment test of Cash Generating Units (CGUs)* – The Group has significant non-financial assets within the offshore support bases CGU. The reporting risk is that the value of the CGU is overstated and that an impairment charge should be recorded. Wilson Sons management performed impairment testing for the offshore support bases CGU by comparing its carrying value to its value in use, calculated using the discounted cash flow model. The Committee examined and challenged Wilson Sons management's key assumptions used in the impairment testing and was satisfied that they are appropriate and sufficiently robust. The Committee was further satisfied with the impairment testing disclosures in the consolidated financial statements. The Committee also discusses potential risks surrounding impairment risk with the external auditor and reviewed their audit findings.

- *Valuation of unquoted investments* – The investment valuation risk arises from the valuation of the Level 3 investments which is determined using valuation techniques and assumptions based on market conditions existing at each reporting date. 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. 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 and was satisfied with the disclosures in the consolidated financial statements. The Committee also discusses potential risks surrounding investment valuation with the external auditor and reviewed their audit findings.

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 consolidated financial statements.

External Audit

As part of the annual external audit process, the Committee:

- 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 2022 consolidated financial statements; and
- Assessed the qualification, expertise and resources, and independence of the external auditor:
    - Reviewed the audit plan for the year, 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;
    - Received a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest; and
    - Considered the overall extent of non-audit services provided by the external auditor. There were no non-audit services provided in 2022 by the external auditor.

The Committee conducted its review of the performance of the external auditors and the effectiveness of the external audit process for the year ended 31 December 2021. 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 and Risk Committee. Based on the information currently available and this review, the Audit and Risk Committee was satisfied with the performance of the auditors and the effectiveness of the audit process.

Risk Management and Internal controls

The Committee works with the Company's Chief Operating and Financial Officer to review and assess the Company's risk matrix bi-annually and to assess the adequacy of the Company's internal controls. The Committee is satisfied that the Company's internal controls are effective and that the risk matrix is representative of the risks facing the Company and is used as a functional tool at the Board level to support its decision making and risk mitigation planning.

Additionally, the Committee met quarterly in 2022 with the Wilson Sons audit committee on the following matters:

- To receive reports from the Wilson Sons audit committee on relevant accounting matters and its report from the Wilson Sons internal audit team;
- To review and challenge the assumptions used in the Wilson Sons impairment test of the offshore support bases cash-generating unit including long-term revenue; costs and expenses; investments; projection period; growth rate and discount rates based on the weighted average cost of capital;
- To receive 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;
- To receive a report on the Wilson Sons enterprise risk management process. The report detailed the most critical risks of Wilson Sons, identifying the respective risk owners, and the mitigation plans in place or under development, see principal and emerging risks on page 15;
- To receive litigation reports from the Wilson Sons legal department outlining the legal provisions in the accounts and work performed to manage possible claims; and
- To have 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.

Compliance and Fraud

The Committee reviewed and revised the Company's policies on Whistleblowing and Bribery in 2022 to align them with best practice and current legislation. There were no instances of fraud reported in 2022 and the Committee is satisfied that the procedures and policies in place are being monitored and complied with.

A.Berzins.

Andrey Berzins
Chair of the Audit and Risk Committee
23 March 2023

Corporate and Social Responsibility

The Board recognises that, in addition to managing the Company's assets, it has an obligation to ensure that it undertakes efforts to ensure that its corporate and social responsibilities to all its stakeholders are addressed at both the parent level and its operating subsidiaries.

Social Responsibility

Workforce and Safety

With Wilson Sons being the largest employer in the Group, Board attention is directed to encouraging and monitoring their initiatives to create opportunities within its workforce for gender equality and to develop programs that will prepare the younger generation to grow within the organisation. Wilson Sons management team is comprised of 30% women and 20% of the overall workforce are female. Wilson Sons has multiple initiatives to train both women and young people, such as intern and apprentice programs, involvement with local universities to provide lectures on maritime services and a program specifically geared to young girls to give them tools to address and challenge obstacles related to gender equality in Brazil.

On average the Group employed 3,296 employees during the year (2021: 3,208). The nature of operations in the maritime division means that the health and safety of our workforce is fundamentally important to the Board and is engrained in our corporate values and daily routines. Through a safety programme in partnership with DuPont, health and safety targets are measured using lost-time injury frequency rate ("LTIFR"). In 2022 the LTIFR rate was 0.45 compared to 2021 of 0.63. The international benchmark is 0.5 which Wilson Sons has set as its target to remain below.

Communities

Ocean Wilsons and Wilson Sons both have corporate giving programs within the communities in which they operate. Ocean Wilsons corporate giving is geared to supporting charities that develop life skills for young people. Wilson Sons has varied community interaction through both corporate volunteering and charitable donations. For over 20 years, Wilson Sons has engaged its employees to partake in volunteering programs that also focus on life skills and development of the youth.

Environment and Responsible Investing

The Board believes that responsible investing and sustainable operating practices are integral to the longer-term delivery of the Company's 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 complying with and evolving its ESG strategy to drive a culture that ensures effective, ethical and viable investment for our shareholders and future investors.

The Investment Manager became a signatory to the United Nations Principles for Responsible Investment in 2022. The Board encouraged this in 2021 and also has driven the development of policies to gather information from the underlying investments of the portfolio on their own environmental and social policies. Currently, Hansa Capital's investment policies include reviewing its investment portfolio and identifying if a portfolio manager or company are not engaged in practicing ESG. If they are not, our Investment Manager will 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.

When the Investment Manager is selecting funds, they do not currently specifically exclude sectors and countries, but instead, for those companies that make significant use of energy, resources and materials they endeavour to understand and report to the Board how those investees manage these issues and their responsibilities. The Investment Manager's Responsible Investing Policy is available on the Ocean Wilsons (www.oceanwilsons.bm) and Hanseatic Asset Management's group websites (www.hansagrp.com).

The Board is committed to reducing the environmental impact of our operations. As a component of both environmental stewardship and strategic business practice we are taking action on this commitment in both Wilson Sons' operations and our investment portfolio strategy.

During 2022, Wilson Sons furthered its sustainability ambitions by hiring a dedicated Sustainability Director, continued its data collection and analysis on greenhouse gas emissions, waste generation and water usage to aid in setting targets and identified more opportunities to reduce its impact on the environment. Two of six new tugs were launched designed to produce lower emissions and drive efficient use of carbon fuels. There is a committed focus to analyse operational activities and processes to discover opportunities to add the most value and make positive change on the environment. Innovation is key to leveraging these opportunities as such Wilson Sons has created an Innovation Hub that realises these opportunities through both internal research and external investments. For example, in 2022 Wilson Sons made an investment in Argonautica, an engineering firm that optimises operations through port engineering, such as hydrodynamic interaction, tug manoeuvre and breakwater analysis. The team is passionate about driving ESG activity and engaged in developing the tools and driving the culture needed to achieve our ambitions.

Greenhouse Gas Emissions

Wilson Sons has been identifying opportunities for decarbonization of its energy matrix to reduce the impact of its activities on the environment. Since 2014, Wilson Sons has maintained its commitment to proactively publish its Greenhouse Gas Emissions (GHG) Inventory in the public register of the Brazilian GHG Protocol Program, the tool most used by companies and government to assess, quantify and mange GHG. Wilson Sons earned the Gold Seal in this program for a third consecutive year covering scope 1 and scope 2 emissions.

Wilson Sons proactively seeks opportunities for the adoption of new technologies and in creating efficiencies in operations as a means of contributing to the reduction of emissions. For example, in 2022 Wilson Sons achieved a 20% reduction in operational carbon intensity (kgCO2/ TEU) at the container terminals by optimizing yard design at Tecon Salvador and the prioritization of equipment using cleaner energy.

GHG Emissions - Scope 1	Unit	2022 Preliminary*	2021 Final	2021 Preliminary*	2020 Final
Container Terminals	tCO2e	8,637	7,681	7,209	7,848
Towage	tCO2e	52,488	53,257	53,364	47,650
Others	tCO2e	1,274	1,434	1,882	1,010
Total	**tCO2e**	**62,399**	**62,372**	**62,455**	**56,508**

GHG Emissions - Scope 2	Unit	2022 Preliminary*	2021 Final	2021 Preliminary*	2020 Final
Container Terminals	tCO2e	1,221	4,104	2,679	1,573
Towage	tCO2e	96	137	91	86
Others	tCO2e	198	526	398	253
Total	**tCO2e**	**1,515**	**4,768**	**3,168**	**1,912**

**The final report is released in April of the following year, subsequently to the issue of the annual report.*

Wilson Sons achieved a 5% reduction in total emissions in 2022. This reduction is mainly due to the decrease in scope 2 emissions, more specifically electricity consumption. Compared to 2021, the average emission factor of electricity from the National Interconnected System reduced 66%. In addition, in 2022 Wilson Sons consumed 4% less electricity due mainly to the reduction of 5% in container handling and 10% in the stay of reefer containers at Tecon Rio Grande. 2021 was an atypical year for comparison, as there were longer stays, delays and cancellations at the terminals due to supply chain disruption and shipping bottlenecks resulting from the Covid-19 pandemic which increased energy consumption in the year.

The tugboat division is responsible for about 80% of the direct emissions at Wilson Sons. This division achieved a 2% reduction in emissions by leveraging systems that optimize navigation routes which manages the efficient use of maritime fuels across its fleet.

As part of the ongoing commitment to reduce and report on GHG emissions, a materiality analysis was conducted in 2022 on scope 3 emissions. The most representative categories identified were goods and services purchased, capital goods and use of goods and services sold. In addition, Wilson Sons began studies to establish its trajectory to reduce the carbon footprint of the company itself and of its value chain. Wilson Sons will set emissions reduction targets in 2025 after evaluating its analysis and various scenarios for adaptation to the low carbon economy.

Directors' Responsibility

Going Concern

The Group has considerable financial resources including US$75.7 million in cash and cash equivalents at 31 December 2022 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 Chair's Statement, Financial Report and Investment Manager's Report. The financial position, cash flows and borrowings of the Group are set out in the Financial Report. In addition, note 30 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 20.

The Group closely monitors and manages its liquidity risk and does so in a manner that reflects its structure of two distinct businesses being Ocean Wilsons (Investments) Limited and Wilson Sons Limited. In performing its going concern assessment, the Board considered the 15-month period to 31 March 2024.

Ocean Wilsons Holdings Limited and Ocean Wilsons (Investments) Limited

Ocean Wilsons and Ocean Wilsons (Investments) Limited have combined cash and cash equivalents of US$27.8 million and further highly liquid investments of US$94.8 million at 31 December 2022. They have no debt and they have made commitments in respect of investment subscriptions amounting to US$50.4 million, details are provided in note 10. The timing of the investment commitments may be accelerated or delayed in comparison with those indicated in note 10, but 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 Wilson Sons and its subsidiaries and their creditors or lenders. In the unlikely circumstance that Wilson Sons was to encounter financial difficulty, the parent company and its other 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$47.9 million. All of the debt, as set out in note 20, and all of the lease liabilities, as set out in note 15, 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 20, which were in compliance at 31 December 2022 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. The Ocean Wilsons Board reviewed Wilson Sons' 15-month forecasts for the financial year 2023 and the first quarter of 2024 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 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 and associates in respect of their loan agreements as set out in note 13 and possible cash outflows these may give rise to, should the joint ventures and associates breach their loan covenants.

Cash flow and loan covenant compliance forecasts were then subjected to reverse stress tests 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 Wilson 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. Whilst the going concern assessment does not indicate it will be necessary, should it be required, Wilson Sons can 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 Ocean Wilsons Investments, 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.

Directors' Responsibility Statement

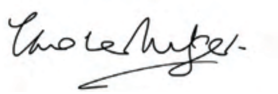
The Directors are responsible for preparing the annual report in accordance with applicable laws and regulations.

The Directors are required by Bermuda company law to lay financial statements before the Company in a general meeting. In doing this the Directors prepare accounts on a going concern basis for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those accounts, the Directors are required to:

- ensure suitable accounting policies have been adopted and applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- provide additional disclosure when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and Group financial position and financial performance; and
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information.

The Board considers 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 performance, business model and strategy.

On behalf of the Board



Caroline Foulger
Chair
23 March 2023

SECTION THREE

Task Force for Climate Related Financial Disclosures (“TCFD”)

The Ocean Wilsons ("OWHL") Board is responsible for ensuring strong corporate governance. The Audit and Risk Committee assists the Board in monitoring the effectiveness of 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 2022, with the Chief Operating and Financial Officer attending each meeting.

OWHL is 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.

The section below describes Wilson Sons' TCFD disclosures:

Governance

1 **Board Oversight**

2 **Management Oversight**

OWHL shares two common Board members with Wilson Sons; the remaining OWHL Directors attend parts of the quarterly Wilson Sons board ("WSB") meetings as observers for updates on operational activities and management issues.

The WSB has ultimate oversight and accountability for its ESG strategy, including the approach and actions taken in relation to climate-related risks and opportunities. The WSB is updated on climate-related issues via a report from the Sustainability Director on an annual basis and they are discussed as part of quarterly board meetings. This ensures oversight and accountability across all programmes and policies. Climate-related issues are considered when reviewing budgets and capital allocation, particularly with regard to innovation opportunities and capital investments. As such, climate-related risks and opportunities influence strategic decisions at the Board level.

The Wilson Sons CEO oversees Wilson Sons' climate agenda. Since July 2022, Wilson Sons' climate strategy has been integrated within the Sustainability Department and led by the Sustainability Director. Additionally, Wilson Sons' has an ESG Committee formed of employees from across the business.

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.

Risk Management

3 **Identifying and assessing climate related risks**

4 **Managing climate related risks**

5 **Integration into the Group's risk management processes**

Wilson Sons' risk governance and management processes are detailed within Wilson Sons' Sustainability Report (see the report at www.wilsonsons.com.br). During the year, Wilson Sons assesses and evaluates risks relating to climate change as part of the review cycle.

To assess the severity of climate-related risks, and the potential impacts arising from them, risks are classified according to the impact matrix provided in the Wilson Sons Policy for Integrated Risk Management. This categorises risks based on a combination of probability and likely impact.

To advance this approach, in 2022 Wilson Sons also undertook a qualitative scenario analysis. This analysis was able to validate the risk identification processes undertaken to date.

After evaluation and prioritisation steps, each risk is assigned to a risk owner at the functional level, responsible for responding to, monitoring, and reporting company risk based on the degree of impact and probability. Each risk is also assigned a risk champion, responsible for implementing and managing the execution of the risk management processes, including action plans or controls that were defined as suitable responses. For potential extreme impact risks, the risk owner is the Executive Board, composed of Wilson Sons' highest C-level executives (CEO, COO and CFO).

Climate-related risks identified as risks for Wilson Sons are embedded into a central Integrated Risk Management framework within Wilson Sons' Sustainability Report. Climate-related risks are classified as emerging risks and are managed as such according to the Integrated Risk Management Framework. If any of these risks' timeline probabilities were to change, the framework has a continuous process of classification elevation.

Strategy

6 Identifying of climate related risks
7 Impact of climate risks and opportunities
8 Scenario analysis

In 2021, Wilson Sons identified climate-related risks to the business over the following time horizons: short term (< 3 years), medium term (3-10 years), and long term (> 10 years).

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

a) Increased demand from cargo owners seeking alternatives to road haulage, rail 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; and

c) Potential to position itself as the partner of choice for customers through best practice disclosure and a decarbonisation strategy.

In 2022, these risks and opportunities were validated and assessed with respect to warming scenarios via a qualitative scenario analysis to validate earlier risk mapping. Additionally, the validation considered the business' resilience to climate change across warming scenarios.

The analysis considered two timeframes: 2030 and 2050 aligned with international climate-related milestones and commitments, such as the Sustainable Development Goals and the Paris Agreement. The table below sets out the scenarios. Shared Socioeconomic Pathways (SSPs) describe the expected societal changes associated with warming scenarios, and Representative Concentration Pathways (RCPs) align to physical degrees (Celsius) of warming. Completion of the qualitative scenario analysis allowed the financial materiality of the identified risks to be estimated.

Scenario	Model	Time Horizon
Baseline	n/a	Historical period of reference
SSP1 - RCP 2.6	Optimistic	2030
SSP1 - RCP 2.6	Optimistic	2050
SSP3 – RCP 7.0	Pessimistic	2030
SSP3-RCP 7.0	Pessimistic	2050

Mitigation actions to reduce exposure to risks have been identified. For example, building on extensive monitoring of its direct emissions from 2013 onwards. Wilson Sons has dedicated itself to qualitative goals, such as the elaboration of the MACC curve (marginal abatement cost curve) to evaluate opportunities for decarbonisation initiatives in the towage and Rio Grande container terminal businesses from 2023.

Qualitative goals relevant to the MACC curve were confirmed in January 2023 and cover 80% of Wilson Sons' carbon emissions. Use of this tool will allow objective and cost-effective prioritisation of decarbonisation efforts.

Metrics and Targets

9 Metrics used to assess
10 Emissions reporting
11 Assessment Targets

Commitment to continuous monitoring of climate-relevant metrics facilitates effective management of agenda-related risks and opportunities.

Key metrics currently include: energy consumption (renewable electricity) with business unit intensity metrics. Metrics related to net income are also used (GHG emissions per US$1 million), and specific operational metrics according to the nature of the business (e.g. GHG emissions per container handled; GHG emissions per towage manoeuvre). Metrics related to water consumption and solid waste disposal are also monitored.

Wilson Sons' Scope 1 and 2 emissions are summarised within the table found on page 32.

Wilson Sons is currently undertaking a Scope 3 screening analysis. The ambition is to continually advance this process, such that Wilson Sons can build a comprehensive Scope 3 inventory in the coming years.

Building on this work, Wilson Sons will disclose a quantitative Scope 1 and 2 emissions reduction targets in 2025.

OWHL also has oversight over OWIL which share the same Directors. Quarterly meetings are held with the portfolio investment manager where updates on fund performance, asset allocation, ESG status, and, during 2022, the progress to becoming a signatory to the UN PRI, are shared.

The section below describes OWIL's TCFD disclosures:

Governance

1 Board Oversight

2 Management Oversight

The Board of OWHL, through its 100% subsidiary OWIL, holds ultimate accountability for responsible investing, and within that, climate-related issues for this subsidiary.

The Board discusses ESG-related issues, including climate change, as a standing agenda item at all meetings and is notified of updates on any serious ESG issues. OWIL appointed Hanseatic Asset Management LBG ("HAML") as its Investment Manager in November 2000. Importantly, the portfolio is a portfolio of funds and therefore engagement with the managers of selected underlying fund investments is required to appropriately influence climate-related issues. In this regard, HAML, has discussed its ESG views with the fund managers as part of its ongoing due diligence and monitoring processes.

As part of its wider commitment to ESG and climate throughout the organisation, OWHL worked with HAML as it developed its responsible investment policy. In particular, OWHL requested that HAML join the UN-supported Principles of Responsible Investment (PRI) to which HAML became a signatory in 2022.

Risk Management

3 Identifying and assessing climate related risks

4 Managing climate related risks

5 Integration into the Group's risk management processes

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, HAML's responsible investing policy aims to support a long-term and responsible approach to investment to reduce and manage long-term risk.

HAML and OWHL Directors 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.

Strategy

6 Identifying of climate related risks

7 Impact of climate risks and opportunities

8 Scenario analysis

In 2021, supported by an external consultancy, climate-related risks and opportunities were identified and assessed (see page 39 of OWHL's 2021 annual report). 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 OWIL as short term (< 3 years), medium term (3-10 years), and long term (> 10 years).

OWIL continues to develop its understanding of the effect of identified risks and opportunities. 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.

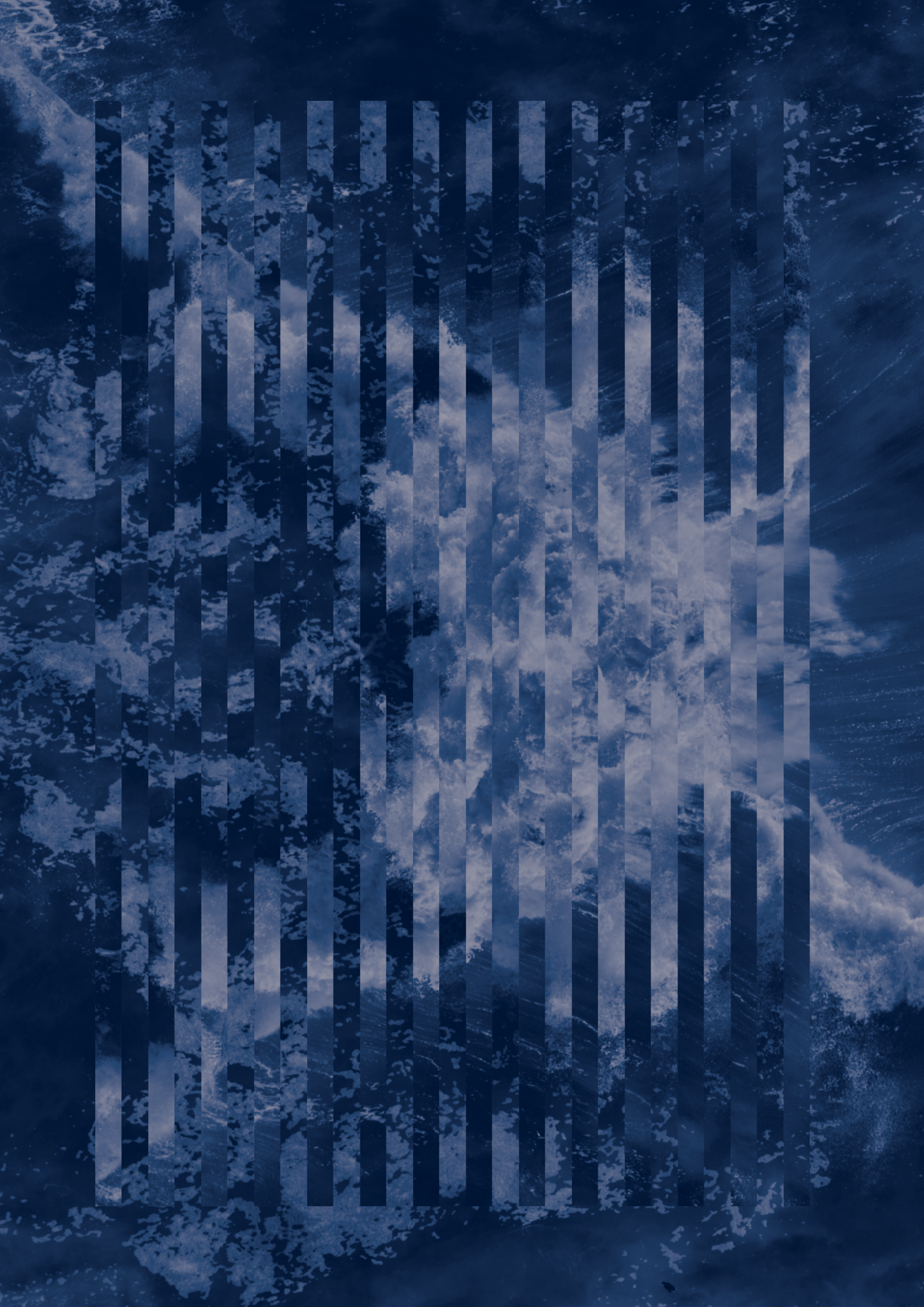
Metrics and Targets

9 Metrics used to assess

10 Emissions reporting

11 Assessment Targets

Given its position as a fund investor, collection of the relevant data and use of this data as the basis of decarbonisation targets presents ongoing transitional challenges. HAML, with the encouragement of the Company, continues to explore the feasibility of collecting climate-related data with fund managers as part of its ongoing engagement. This will provide the organisation with a stronger understanding of data availability, and therefore a timeline to the disclosure of this information.



SECTION FOUR

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 2022, 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 2022, 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 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. We summarise below the key audit matters (unchanged from 2021), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters. 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
Fair value estimates – Level 3 investments **(2022: US$120.4m, 2021: US$129.7m)** 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 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 performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described; ▪ We read the accounting policy for investment valuation and assessed its compliance with accounting standards; ▪ We 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 valuation; ▪ We considered the date of valuations, where these were not as of 31 December 2022. 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 audit opinion to determine whether they provided evidence of fair value at 31 December 2022 for such investments; and ▪ We assessed the fairness, accuracy and completeness of disclosures in the financial statements required by IFRS 7 and IFRS 9.

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The key audit matter	How the matter was addressed in our audit
Risk of impairment of Offshore support bases cash generating unit's (CGU) assets **(2022: US$40.9m tangible assets, US$6.7m intangible assets and US$6.4m lease rights; 2021: US$39.8m tangible assets, US$7.2m intangible assets and US$5.2m 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.	▪ 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 performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described; ▪ 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 term 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. We ascertained the extent of changes that individually, or in combination, would be required for the Offshore support bases' assets to be impaired; and ▪ We assessed the fairness, accuracy and completeness of disclosures required by IAS 36.

The key audit matter	How the matter was addressed in our audit
Provisions and contingencies **(2022: US$9.0m, 2021: US$8.9m) The unprovided amounts for possible losses are US$83.2m (2021: US$72.6m).** The Group is party to a high volume of legal claims arising from civil proceedings, labor claims and tax legislation. These resultant contingent liabilities are potentially significant and the application of accounting standards to determine the amount, if any, to be recognised as a liability or disclosed, is inherently subjective and requires judgement. Inappropriate evaluations of the possible outcome on material claims may materially impact the Group's consolidated financial statements for the year.	▪ We walked through and understood the controls designed and implemented by the Group over claims and litigation. However, we did not test the operating effectiveness of the controls; We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described; ▪ We obtained a listing of all current open claims and litigation, including details of quantum, appointed advisors, provided and disclosed amounts; ▪ We obtained an understanding from Group's in-house legal counsel of the basis for their judgements of financial amounts. We challenged the basis of those judgements with reference to the latest available corroborative information such as correspondence with the Group's external counsel on all significant legal cases and held discussions with them when further clarity was deemed necessary; ▪ We reviewed legal expenses and Board of Directors minutes to identify possible litigation and claims that had not been identified by the Group and disclosed to us; ▪ We obtained direct confirmations from the Group's external counsel for all litigation cases and assessed the Group's judgements in the context of these confirmations; ▪ We considered cases settled or litigation concluded in the year and also changes in assessments for ongoing cases year on year. We considered whether the Group's previous judgements were proven to be reasonable and materially correct; and ▪ We assessed the fairness, accuracy and completeness of disclosures in the consolidated financial statements as required by IAS 37.

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The key audit matter	How the matter was addressed in our audit
Unbilled revenue **(2022: US$12.0m; 2021: US$13.5m)** Revenue recognition is presumed by auditing standards to be a fraud risk area, therefore we determined that this is a key audit matter. For the risk of fictitious revenues recognition we have focused specifically on unbilled revenue recognised for services rendered but not yet invoiced at year end, due to its significance and the manual nature of the process.	▪ We walked through and understood the controls designed and implemented by the Group related to unbilled revenue recognition, but we did not test the operating effectiveness of the controls. We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described; ▪ We evaluated the accounting policies applied in the recognition of unbilled revenue in accordance with the principles of IFRS 15; ▪ We tested on a statistical sample basis unbilled revenue to 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.

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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.

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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.

— 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 auditopinion.

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.

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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 31 and 32 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 32 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.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
March 23, 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

	Note	**2022**	2021
Sales of services	5	440,107	396,376
Raw materials and consumables used		(32,956)	(24,036)
Employee charges and benefits expenses	6	(126,330)	(112,026)
Other operating expenses	7	(106,055)	(98,289)
Depreciation of owned assets	14	(48,473)	(46,631)
Depreciation of right-of-use assets	15	(13,573)	(12,063)
Amortisation of intangible assets	16	(2,389)	(2,718)
Gain/(loss) on disposal of property, plant and equipment and intangible assets		100	(499)
Foreign exchange gains/(losses) on monetary items		1,620	(3,100)
Operating profit		**112,051**	**97,014**
Share of results of joint ventures and associates	13	3,165	(5,029)
Returns on investment portfolio at fair value through profit or loss	5	(47,947)	49,474
Investment portfolio performance and management fees		(3,047)	(4,954)
Other investment income	5	8,421	4,113
Finance costs	8	(34,509)	(30,227)
Profit before tax		**38,134**	**110,391**
Tax expense	9	(26,656)	(27,925)
Profit for the year		**11,478**	**82,466**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Post-employment benefits remeasurement	21	93	108
Purchase price adjustment of associate	13	159	-
Items that will be or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		7,128	(7,459)
Effective portion of changes in fair value of derivatives		9	158
Other comprehensive income/(loss) for the year		**7,389**	**(7,193)**
Total comprehensive income for the year		**18,867**	**75,273**
(Loss)/profit for the year attributable to:			
Equity holders of the Company		(18,675)	63,687
Non-controlling interests	26	30,153	18,779
		11,478	**82,466**
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company		(14,484)	59,604
Non-controlling interests	26	33,351	15,669
		18,867	**75,273**
Earnings per share:			
Basic and diluted	28	(52.8)c	180.1c

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022 - *(Expressed in thousands of US Dollars)*

	Note	**2022**	2021
Current assets			
Cash and cash equivalents		75,724	28,565
Financial assets at fair value through profit and loss	10	275,080	392,931
Recoverable taxes	9	34,515	25,380
Trade and other receivables	11	67,136	59,350
Inventories	12	17,579	12,297
		470,034	518,523
Non-current assets			
Other trade receivables	11	1,456	1,580
Related party loans receivable	23	11,176	10,784
Other non-current assets	22	3,506	3,582
Recoverable taxes	9	15,143	12,816
Investment in joint ventures and associates	13	81,863	61,553
Deferred tax assets	9	21,969	22,332
Property, plant and equipment	14	589,629	563,055
Right-of-use assets	15	178,699	157,869
Other intangible assets	16	14,392	14,981
Goodwill	17	13,420	13,272
		931,253	861,824
Total assets		**1,401,287**	**1,380,347**
Current liabilities			
Trade and other payables	19	(58,337)	(58,513)
Tax liabilities	9	(10,290)	(8,057)
Lease liabilities	15	(24,728)	(19,449)
Bank loans	20	(59,881)	(45,287)
		(153,236)	(131,306)
Net current assets		**316,798**	**387,217**
Non-current liabilities			
Bank loans	20	(262,010)	(256,312)
Post-employment benefits	21	(1,737)	(1,562)
Deferred tax liabilities	9	(49,733)	(50,194)
Provisions for legal claims	22	(8,997)	(8,907)
Lease liabilities	15	(171,448)	(148,394)
		(493,925)	(465,369)
Total liabilities		**(647,161)**	**(596,675)**
Capital and reserves			
Share capital	24	11,390	11,390
Retained earnings		634,910	678,006
Translation and hedging reserve		(91,692)	(95,739)
Equity attributable to equity holders of the Company		**554,608**	**593,657**
Non-controlling interests	26	199,518	190,015
Total equity		**754,126**	**783,672**

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 2022 - *(Expressed in thousands of US Dollars)*

	Share capital	Retained earnings	Hedging and Translation reserve	Attributable to equity holders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2021	11,390	635,987	(91,595)	555,782	187,925	743,707
Currency translation adjustment	–	–	(4,234)	(4,234)	(3,225)	(7,459)
Effective portion of changes in fair value of derivatives	–	–	90	90	68	158
Post-employment benefits (note 21)	–	61	–	61	47	108
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 26, 27)	–	(24,754)	–	(24,754)	(17,808)	(42,562)
Equity transactions in subsidiaries (note 25)	–	3,025	–	3,025	4,229	7,254
Balance at 31 December 2021	11,390	678,006	(95,739)	593,657	190,015	783,672
Balance at 1 January 2022	**11,390**	**678,006**	**(95,739)**	**593,657**	**190,015**	**783,672**
Currency translation adjustment	–	–	4,042	4,042	3,086	7,128
Effective portion of changes in fair value of derivatives	–	–	5	5	4	9
Post-employment benefits (note 21)	–	54	–	54	39	93
Purchase price adjustment of associate (note 13)	–	90	–	90	69	159
(Loss)/profit for the year	–	(18,675)	–	(18,675)	30,153	11,478
Total comprehensive (loss)/income for the year	–	(18,531)	4,047	(14,484)	33,351	18,867
Dividends (notes 26, 27)	–	(24,754)		(24,754)	(25,173)	(49,927)
Equity transactions in subsidiaries (note 25)	–	189	–	189	1,325	1,514
Balance at 31 December 2022	**11,390**	**634,910**	**(91,692)**	**554,608**	**199,518**	**754,126**

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 of equity are stated net of tax where applicable.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

	Notes	2022	2021
Operating activities			
Profit for the year		11,478	82,466
Adjustment for:			
Depreciation & amortisation	14,15,16	64,435	61,412
(Gain)/loss on disposal of property, plant and equipment and intangible assets		(100)	499
Share of results of joint ventures and associates	13	(3,165)	5,029
Returns on investment portfolio at fair value through profit or loss	5	47,947	(49,474)
Other investment income	5	(8,421)	(4,113)
Finance costs	8	34,509	30,227
Foreign exchange (gains)/losses on monetary items		(1,620)	3,100
Share based payment expense	25	334	369
Post-employment benefits	21	(170)	136
Tax expense	9	26,656	27,925
Changes in:			
Inventories	12	(5,282)	(533)
Trade and other receivables	11, 23	(8,054)	(13,629)
Other current and non-current assets	9,22	(11,386)	(3,388)
Trade and other payables	9,19	2,057	19,158
Provisions for legal claims	22	90	(653)
Taxes paid		(22,070)	(27,256)
Interest paid		(30,143)	(25,161)
Net cash inflow from operating activities		**97,095**	**106,114**
Investing activities			
Income received from trading investments		16,348	5,700
Purchase of trading investments		(70,864)	(72,811)
Proceeds on disposal of trading investments		128,959	73,064
Purchase of property, plant and equipment	14	(63,268)	(47,352)
Proceeds on disposal of property, plant and equipment		726	304
Purchase of intangible assets	16	(1,386)	(1,375)
Proceeds on disposal of intangible assets		-	517
Investment in joint ventures and associates	13	(17,016)	(20,016)
Net cash used in investing activities		**(6,501)**	**(61,969)**
Financing activities			
Dividends paid to equity holders of the Company	27	(24,754)	(24,754)
Dividends paid to non-controlling interests in subsidiary	26	(25,173)	(17,808)
Repayments of borrowings	20	(49,349)	(57,926)
Payments of lease liabilities	15	(8,591)	(8,473)
New bank loans drawn down	20	59,793	19,438
Shares repurchased in subsidiary	25	(2,549)	-
Issue of new shares in subsidiary under employee share option plan	25	3,729	6,885
Net cash used in financing activities		**(46,894)**	**(82,638)**
Net increase/(decrease) in cash and cash equivalents		**43,700**	**(38,493)**
Cash and cash equivalents at beginning of year		28,565	63,255
Effect of foreign exchange rate changes		3,459	3,803
Cash and cash equivalents at end of year		**75,724**	**28,565**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

1 General Information

Ocean Wilsons Holdings Limited ("Ocean Wilsons" or the "Company") is a Bermuda investment holding company which, through its subsidiaries, operates a maritime services company in Brazil and holds a portfolio of international investments. The Company is incorporated in Bermuda under the Companies Act 1981 and the Ocean Wilsons Holdings Limited Act, 1991. The Company's registered office is Clarendon House, 2 Church Street, Hamilton, Bermuda. These consolidated financial statements comprise the Company and its subsidiaries (the "Group").

These consolidated financial statements were approved by the Board on 23 March 2023.

2 Significant accounting policies and critical accounting judgments

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.

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 ventures and associates

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. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in joint ventures and associates are accounted for using the equity method and are initially recognised at cost. The Group's share in the profit or loss and other comprehensive income of the joint ventures and associates is included in these consolidated financial statements, until the date that significant influence or joint control ceases.

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 sales related taxes.

Ship agency and logistics revenues

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

Towage and port terminals revenues

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

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

2 Significant accounting policies and critical accounting judgments (continued)

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid cash equivalents.

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.

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 loans	Other financial liabilities

2 Significant accounting policies and critical accounting judgments (continued)

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, 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
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 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 35 years
Leasehold Improvements:	5 to 52 years, shorter of the rental period or the useful life of the underlying asset
Floating Craft:	25 years
Vehicles:	5 to 10 years
Plant and Equipment:	10 to 20 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.

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 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

2 Significant accounting policies and critical accounting judgments (continued)

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:	30 to 33 years
Computer software:	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 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, estimates and assumptions

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 management's 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 higher 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 – Judgements, estimates and assumptions

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

A number of new or amended standards are effective for annual periods beginning after 31 December 2021, but do not have a significant impact on the preparation of the consolidated financial statements of the Group.

Standards issued but not yet effective

Several new or amended standards are effective for annual periods beginning after 31 December 2022 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.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current, effective for periods beginning after 31 December 2022
- Amendments to IAS 8: Definition of Accounting Estimates, effective for periods beginning after 31 December 2022
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, effective for periods beginning after 31 December 2022
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective for periods beginning after 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

3 Group composition

Ocean Wilsons has direct ownership in the following subsidiaries:

Subsidiaries	Place of incorporation and operation	Segment	Ownership interest 2022	2021
Investments				
Ocean Wilsons (Investments) Limited	Bermuda	Investment	100%	100%
Holdings				
Ocean Wilsons Overseas Limited	Bermuda	Unallocated	100%	100%

Ocean Wilsons Overseas Limited has direct ownership in the following subsidiary:

Subsidiaries	Place of incorporation and operation	Segment	Ownership interest 2022	2021
Holdings				
OW Overseas (Investments) Limited	United Kingdom	Unallocated	100%	100%

OW Overseas (Investments) Limited has direct ownership in the following subsidiary:

Subsidiaries	Place of incorporation and operation	Segment	Ownership interest 2022	2021
Holdings				
Wilson Sons Holdings Brasil S.A.	Brazil	Maritime service	56.58%	56.88%

The change in ownership interest in Wilson Sons Holdings Brasil S.A. from the year ended 31 December 2021 to 31 December 2022 is due to the exercise of share options and the repurchase of shares in subsidiaries, for which the details are presented in note 25. The information on non-controlling interests is presented in note 26.

Wilson Sons Holdings Brasil S.A. has direct ownership in the following subsidiaries:

Subsidiaries	Place of incorporation and operation	Segment	Ownership interest 2022	2021
Shipyard				
Wilson Sons Estaleiros Ltda.	Brazil	Maritime service	100%	100%
Ship agency				
Dock Market Soluções Ltda.	Brazil	Maritime service	90%	90%
Wilson Sons Shipping Services Ltda.	Brazil	Maritime service	100%	100%
Logistics				
Wilson Sons Terminais e Logística Ltda.	Brazil	Maritime service	100%	100%
Allink Transportes Internacionais Ltda.	Brazil	Maritime service	50%	50%
Container terminal				
Tecon Rio Grande S.A.	Brazil	Maritime service	100%	100%
Tecon Salvador S.A.	Brazil	Maritime service	100%	100%
Offshore support bases and towage				
Wilson Sons Serviços Marítimos Ltda.	Brazil	Maritime service	100%	100%

For the year ended 31 December 2022 - (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.

For the year ended 31 December 2022	Brazil - Maritime Services	Bermuda - Investment	Unallocated	Consolidated
Result				
Sale of services	440,107	-	-	440,107
Net return on investment portfolio at fair value through profit or loss	-	(50,994)	-	(50,994)
Operating expenses	(261,461)	(202)	(3,578)	(265,241)
Depreciation and amortisation	(64,435)	-	-	(64,435)
Share of results of joint ventures and associates	3,165	-	-	3,165
Other investment income	8,421	-	-	8,421
Finance costs	(34,509)	-	-	(34,509)
Foreign exchange gains/(losses) on monetary items	1,837	(159)	(58)	1,620
Profit/(loss) before tax	93,125	(51,355)	(3,636)	38,134
Tax	(26,656)	-	-	(26,656)
Profit/(loss) after tax	66,469	(51,355)	(3,636)	11,478
Financial position				
Current assets	167,140	293,717	9,177	470,034
Investment in joint ventures and associates	81,863	-	-	81,863
Property, plant and equipment	589,629	-	-	589,629
Right-of-use assets	178,699	-	-	178,699
Other intangible assets	14,392	-	-	14,392
Goodwill	13,420	-	-	13,420
Other non-current assets	53,250	-	-	53,250
Segment assets	1,098,393	293,717	9,177	1,401,287
Segment liabilities	(646,339)	(509)	(313)	(647,161)
Other information				
Capital additions	64,654	-	-	64,654
Right-of-use assets additions	5,222	-	-	5,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

4 Business and geographical segments (continued)

For the year ended 31 December 2021	Brazil - Maritime Services	Bermuda - Investment	Unallocated	Consolidated
Result				
Sale of services	396,376	-	-	396,376
Net return on investment portfolio at fair value through profit or loss	-	44,520	-	44,520
Operating expenses	(231,476)	(212)	(3,162)	(234,850)
Depreciation and amortisation	(61,412)	-	-	(61,412)
Share of results of joint ventures and associates	(5,029)	-	-	(5,029)
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
Financial position				
Current assets	163,967	351,774	2,782	518,523
Investment in joint ventures and associates	61,553	-	-	61,553
Property, plant and equipment	563,055	-	-	563,055
Right-of-use assets	157,869	-	-	157,869
Other intangible assets	14,981	-	-	14,981
Goodwill	13,272	-	-	13,272
Other non-current assets	51,094	-	-	51,094
Segment assets	1,025,791	351,774	2,782	1,380,347
Segment liabilities	(594,218)	(2,211)	(246)	(596,675)
Other information				
Capital additions	48,727	-	-	48,727
Right-of-use assets additions	7,718	-	-	7,718

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

5 Revenue

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

	2022	2021
Sale of services	**440,107**	**396,376**
Net income from underlying investment vehicles	11,809	3,754
Profit on disposal of financial assets at fair value through profit or loss	24,316	11,870
Unrealised (losses)/gains on financial assets at fair value through profit or loss	(79,995)	33,850
Write down of Russia-focused investments (note 10)	(4,077)	-
Returns on investment portfolio at fair value through profit or loss	**(47,947)**	**49,474**
Interest on bank deposits	4,146	2,254
Other interest	4,275	1,859
Other investment income	**8,421**	**4,113**
Total Revenue	**400,581**	**449,963**

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:

	2022	2021
Harbour manoeuvres	201,429	178,552
Special operations	17,633	20,558
Ship agency	9,910	8,774
Towage and ship agency services	**228,972**	**207,884**
Container handling	73,166	72,402
Warehousing	40,946	35,036
Ancillary services	20,932	21,283
Offshore support bases	10,617	7,234
Other services	13,360	13,040
Port terminals	**159,021**	**148,995**
Logistics	**47,591**	**35,142**
Shipyard	**4,523**	**4,355**
Total Revenue from contracts with customers	**440,107**	**396,376**

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$54.5 million (2021: US$49.1 million). These amounts include US$12.0 million (2021: US$13.5 million) of contract assets (unbilled accounts receivables). There were no contract liabilities as of 31 December 2022 (2021: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

5 Revenue (continued)

Performance obligations

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

Performance obligation	When performance obligation is typically satisfied
Towage and ship agency services	
Harbour manoeuvres	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	At a point in time
Shipyard	Over time

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

	2022	2021
At a point of time	435,584	392,021
Over time	4,523	4,355
Total Revenue from contracts with customers	**440,107**	**396,376**

The performance obligation of shipyard 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. At 31 December 2022 and 2021, 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 2022 - (Expressed in thousands of US Dollars)

6 Employee charges and benefits expenses

Employee charges and benefits expenses are classified as follows:

	2022	2021
Wages, salaries and benefits	(102,397)	(90,868)
Social security costs	(22,701)	(20,062)
Other pension costs	(904)	(772)
Share based payments	(328)	(324)
Total employee charges and benefits expenses	**(126,330)**	**(112,026)**

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$0.9 million (2021: US$0.7 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 is detailed in note 21.

7 Other operating expenses

Other operating expenses are classified as follows:

	2022	2021
Utilities and communications	(13,616)	(12,309)
Insurance	(3,483)	(4,076)
Corporate, governance and compliance costs	(3,292)	(2,359)
Short-term or low-value asset leases	(33,432)	(32,881)
Service costs	(24,925)	(24,401)
Freight	(17,320)	(10,717)
Port expenses	(7,168)	(6,629)
Other operating expenses	(2,819)	(4,917)
Total other operating expenses	**(106,055)**	**(98,289)**

8 Finance costs

Finance costs are classified as follows:

	2022	2021
Interest on lease liabilities	(15,798)	(13,882)
Interest on bank loans	(17,160)	(16,219)
Exchange loss on foreign currency borrowings	(248)	(32)
Other interest costs	(1,303)	(94)
Total finance costs	**(34,509)**	**(30,227)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(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:

	2022	2021
Current tax expense		
Brazilian corporation tax	(17,018)	(17,239)
Brazilian social contribution	(8,340)	(7,114)
Total current tax expense	(25,358)	(24,353)
Deferred tax – origination and reversal of timing differences		
Charge for the year in respect of deferred tax liabilities	(14,123)	(6,737)
Credit for the year in respect of deferred tax assets	12,825	3,165
Total deferred tax expense	(1,298)	(3,572)
Total tax expense	**(26,656)**	**(27,925)**

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

The reconciliation of the effective tax rate is as follows:

	2022	2021
Profit before tax	38,134	110,391
Less: Loss/(profit) before tax of Bermuda and unallocated segments	54,991	(41,036)
Profit before tax – Maritime services	93,125	69,355
Tax at the aggregate Brazilian tax rate of 34% (2021: 34%)	(31,663)	(23,581)
Net operating losses in the period	(788)	(816)
Non-deductible expenses	(863)	(554)
Foreign exchange variance on loans	(3,008)	1,142
Tax effect of share of results of joint ventures and associates	1,076	(1,710)
Tax effect of foreign exchange gains or losses on monetary items	625	(881)
Retranslation of non-monetary items	11,592	228
Share option scheme	-	(110)
Leasing	64	158
Other	(3,691)	(1,801)
Tax expense for the year	(26,656)	(27,925)
Effective rate for the year – Maritime services	29%	40%
Effective rate for the year – Group	70%	25%

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

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

For the year ended 31 December 2022	**Before tax**	**Tax (expense)/credit**	**Net of tax**
Items that will not be reclassified subsequently to profit or loss			
Post-employment benefits	124	(31)	93
Purchase price adjustment of associate	213	(54)	159
Items that will be or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations	9,551	(2,423)	7,128
Effective portion of changes in fair value of derivatives	12	(3)	9
Total amounts recognised in other comprehensive income	**9,900**	**(2,511)**	**7,389**

For the year ended 31 December 2021	**Before tax**	**Tax (expense)/credit**	**Net of tax**
Items that will not be reclassified subsequently to profit or loss			
Post-employment benefits	164	(56)	108
Items that will be or may be reclassified subsequently to profit or loss			
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
Total amounts recognised in other comprehensive income	**(10,899)**	**3,706**	**(7,193)**

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:

	Tax depreciation	**Foreign exchange variance on loans**	**Tax losses**	**Profit on construction contracts**	**Other timing differences**	**Retranslation of non-monetary items**	**Total**
At 1 January 2021	(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)**
(Charge)/credit to income	(1,711)	(8,433)	(4,112)	(534)	1,900	11,592	(1,298)
Other adjustments	(1,510)	(68)	151	82	1,438	1	94
Exchange differences	(2,168)	2,200	703	-	678	(111)	1,302
At 31 December 2022	**(35,239)**	**28,971**	**6,420**	**14,356**	**10,552**	**(52,824)**	**(27,764)**

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:

	2022	2021
Deferred tax assets	21,969	22,332
Deferred tax liabilities	(49,733)	(50,194)
Net deferred tax balance	**(27,764)**	**(27,862)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

9 Taxation (continued)

At 31 December 2022, the Group had unused tax losses of US$31.2 million (2021: US$39.0 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$4.0 million (2021: US$7.6 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 bonds related to these 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:

	2022	2021
Recoverable taxes – current	34,515	25,380
Recoverable taxes – non-current	15,143	12,816
Total recoverable taxes	**49,658**	**38,196**

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:

	2022	2021
Taxes payable – current	(10,290)	(8,057)
Taxes payable – non-current	–	–
Total taxes payable	**(10,290)**	**(8,057)**

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

10 Financial assets at fair value through profit or loss

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

	2022	2021
Opening balance – 1 January	**392,931**	**347,464**
Additions, at cost	70,864	72,811
Disposals, at market value	(128,959)	(73,064)
(Decrease)/increase in fair value of financial assets at fair value through profit or loss	(79,995)	33,850
Write down of Russia-focused investments[1]	(4,077)	-
Profit on disposal of financial assets at fair value through profit or loss	24,316	11,870
Closing balance – 31 December	**275,080**	**392,931**
Bermuda – Investment segment	272,931	349,613
Brazil – Maritime services segment	2,149	43,318

[1] During the year ended 31 December 2022, the Company wrote down the full value of its investment in Prosperity Quest Fund, a Russia-focused equity fund held within the investments segment portfolio, following the issue of an investor notice announcing the suspension of its net asset valuation, subscriptions and redemptions.

Bermuda – 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 high-water 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:

	2022	2021
Within one year	5,951	5,219
In the second to fifth year inclusive	2,346	2,946
After five years	42,129	35,056
Total commitment for capital subscriptions	**50,426**	**43,221**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

10 Financial assets at fair value through profit or loss (continued)

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 traded 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 30.

11 Trade and other receivables

Trade and other receivables are classified as follows:

	2022	2021
Non-current		
Other trade receivables	1,456	1,580
Total other trade receivables	**1,456**	**1,580**
Current		
Trade receivable for the sale of services	43,293	35,915
Unbilled trade receivables	12,036	13,517
Total gross current trade receivables	55,329	49,432
Allowance for expected credit loss	(792)	(338)
Total current trade receivables	**54,537**	**49,094**
Prepayments	4,887	6,646
Insurance claim receivable	981	632
Employee advances	1,449	1,236
Disposal proceeds of financial assets at fair value through profit or loss receivable	2,181	-
Other receivables	3,101	1,742
Total other current receivables	**12,599**	**10,256**
Total trade and other receivables	**67,136**	**59,350**

The aging of the trade receivables is as follows:

	2022	2021
Current	44,699	43,160
From 0 – 30 days	5,997	4,098
From 31 – 90 days	2,461	858
From 91 – 180 days	1,236	988
More than 180 days	936	328
Total gross trade receivables	**55,329**	**49,432**

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

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

	2022	2021
Opening balance – 1 January	**(338)**	**(554)**
(Increase)/decrease in allowance recognised in profit or loss	(419)	188
Exchange differences	(35)	28
Closing balance – 31 December	**(792)**	**(338)**

Information about the Group's exposure to credit risks related to trade receivables is included in note 30.

12 Inventories

Inventories are classified as follows:

	2022	2021
Operating materials	13,727	10,829
Raw materials for third party vessel construction	3,852	1,468
Total inventories	**17,579**	**12,297**

Inventories are presented net of provision for obsolescence, amounting to US$0.3 million (2021: US$0.4 million).

13 Joint ventures and associates

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

	Place of incorporation and operation	Proportion of ownership 2022	2021
JOINT VENTURES			
Logistics			
Porto Campinas Logística e Intermodal Ltda	Brazil	50%	50%
Offshore			
Wilson Sons Ultratug Participações S.A.	Brazil	50%	50%
Atlantic Offshore S.A.	Panamá	50%	50%
ASSOCIATES			
Argonáutica Engenharia e Pesquisas S.A.	Brazil	32.32%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

13 Joint ventures and associates (continued)

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

	2022	2021
Sales of services	182,882	118,049
Operating expenses	(116,046)	(70,364)
Depreciation and amortisation	(53,212)	(50,962)
Foreign exchange gains/(losses) on monetary items	5,057	(3,904)
Results from operating activities	18,681	(7,181)
Finance income	2,656	302
Finance costs	(14,756)	(15,789)
Profit/(loss) before tax	6,581	(22,668)
Tax (expense)/credit	(253)	12,610
Profit/(loss) for the year	6,328	(10,058)
Total profit/(loss) for the year – joint ventures	6,334	(10,058)
Participation	50%	50%
Share of profit/(loss) for the year for joint ventures	3,167	(5,029)
Total profit/(loss) for the year – associates	(6)	-
Participation	32.32%	N/A
Share of profit/(loss) for the year for associates	(2)	-
Share of result of joint ventures and associates	**3,165**	**(5,029)**

	2022	2021
Cash and cash equivalents	5,747	7,541
Other current assets	51,260	46,548
Non-current assets	551,921	584,886
Total assets	608,928	638,975
Trade and other payables	(46,506)	(66,567)
Other current liabilities	(56,833)	(49,173)
Non-current liabilities	(324,012)	(375,988)
Total liabilities	(427,351)	(491,728)
Total net assets	**181,577**	**147,247**
Total net assets – joint ventures	180,079	147,247
Participation	50%	50%
Group's share of net assets – joint ventures	90,040	73,624
Total net assets – associates	1,498	-
Participation	32.32%	N/A
Group's share of net assets – associates	484	-
Goodwill and surplus generated on associate purchase	1,711	-
Cumulative elimination of profit on construction contracts	(10,372)	(12,071)
Investment in joint ventures and associates	**81,863**	**61,553**

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

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

	2022	2021
Opening balance – 1 January	**61,553**	**26,185**
Share of result of joint ventures and associates	3,165	(5,029)
Capital increase	17,016	40,207
Elimination of profit on construction contracts	(158)	17
Purchase price adjustment of associate	159	-
Post-employment benefits	-	10
Translation reserve	128	163
Closing balance – 31 December	**81,863**	**61,553**

During the year ended 31 December 2022, the Group increased its invested capital in Wilson Sons Ultratug Participações S.A. with a cash contribution of US$14.9 million and in Porto Campinas Logística e Intermodal Ltda with a cash contribution of US$0.1 million and acquired a 32.32% participation in Argonáutica Engenharia e Pesquisas S.A. with a cash contribution of US$2.0 million.

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

Guarantees

Wilson Sons Ultratug Participações S.A. has loans with the Brazilian Development Bank guaranteed by a lien on the financed supply vessels and by a corporate guarantee from its participants, proportionate to their ownership. The Group's subsidiary Wilson Sons Holdings Brasil Ltda. is guaranteeing US$163.7 million (2021: US$160.4 million).

Wilson Sons Ultratug Participações S.A. has a loan with Banco do Brasil guaranteed by a pledge on the financed offshore support vessels, a letter of credit issued by Banco de Crédito e Inversiones and its long-term contracts with Petrobras. The joint venture has to maintain a cash reserve account until full repayment of the loan agreement amounting to US$1.7 million (2021: US$2.1 million) presented as long-term investment.

Covenants

On 31 December 2022 and 2021, Wilson Sons Ultratug Participações S.A. was not in compliance with one of its covenants' ratios with Banco do Brasil, resulting in a required increase in capital within a year of US$1.8 million (2021: US$ 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 and associates as of 31 December 2022 (2021: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

14 Property, plant and equipment

	Land and buildings	Floating Craft	Vehicles, plant and equipment	Assets under construction	Total
Cost					
At 1 January 2021	279,313	525,484	209,034	292	1,014,123
Additions	8,992	22,152	6,919	9,289	47,352
Transfers from joint operations	-	1,350	32	-	1,382
Transfers	(16)	1,462	(1,446)	-	-
Disposals	(1,998)	(9,196)	(4,607)	-	(15,801)
Exchange differences	(11,608)	-	(11,468)	-	(23,076)
At 1 January 2022	**274,683**	**541,252**	**198,464**	**9,581**	**1,023,980**
Additions	10,835	15,493	9,936	27,004	63,268
Transfers	(112)	24,623	(2,317)	(22,194)	-
Transfers to intangible assets	-	-	(60)	-	(60)
Disposals	(1,955)	(4,477)	(4,892)	-	(11,324)
Exchange differences	11,084	-	10,854	-	21,938
At 31 December 2022	**294,535**	**576,891**	**211,985**	**14,391**	**1,097,802**
Accumulated depreciation					
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 1 January 2022	**82,651**	**264,836**	**113,438**	**-**	**460,925**
Charge for the year	8,518	27,831	12,124	-	48,473
Elimination on construction contracts	-	87	-	-	87
Disposals	(1,645)	(4,426)	(4,609)	-	(10,680)
Exchange differences	3,644	-	5,724	-	9,368
At 31 December 2022	**93,168**	**288,328**	**126,677**	**-**	**508,173**
Carrying Amount					
At 31 December 2021	192,032	276,416	85,026	9,581	563,055
At 31 December 2022	**201,367**	**288,563**	**85,308**	**14,391**	**589,629**

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

The Group has pledged assets with a carrying amount of US$230.2 million (2021: US$251.6 million) to secure loans granted to the Group.

The amount of borrowing costs capitalised in 2022 was US$0.1 million at an average interest rate of 5.6% (2021: none).

The Group has contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US$19.9 million (2021: US$14.2 million).

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

15 Lease arrangements

Right-of-use assets

Right-of-use assets are classified as follows:

	Operational facilities	Floating Craft	Buildings	Vehicles, plant and equipment	Total
Cost					
At 1 January 2021	154,710	7,278	5,697	9,749	177,434
Additions	-	7,353	176	189	7,718
Contractual amendments	33,466	(838)	119	40	32,787
Terminated contracts	(15,662)	-	(177)	(806)	(16,645)
Exchange differences	(5,396)	(716)	(427)	(326)	(6,865)
At 1 January 2022	**167,118**	**13,077**	**5,388**	**8,846**	**194,429**
Additions	-	3,018	1,305	899	5,222
Contractual amendments	17,901	5,793	63	117	23,874
Terminated contracts	-	(2,796)	(3,771)	(58)	(6,625)
Exchange differences	10,313	510	96	328	11,247
At 31 December 2022	**195,332**	**19,602**	**3,081**	**10,132**	**228,147**
Accumulated depreciation					
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 1 January 2022	**18,298**	**8,194**	**2,960**	**7,108**	**36,560**
Charge for the year	8,244	4,825	912	916	14,897
Terminated contracts	-	(1,226)	(2,424)	(44)	(3,694)
Exchange differences	1,104	242	63	276	1,685
At 31 December 2022	**27,646**	**12,035**	**1,511**	**8,256**	**49,448**
Carrying Amount					
At 31 December 2021	148,820	4,883	2,428	1,738	157,869
At 31 December 2022	**167,686**	**7,567**	**1,570**	**1,876**	**178,699**

Operational facilities

Tecon Rio Grande

Lease commitments to operate the container terminal and heavy cargo terminal in the Port of Rio Grande, expiring in 2047. The commitments 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.

Tecon Salvador

Lease commitments to operate the container terminal and heavy cargo terminal in the Port of Salvador, expiring in 2050. The commitments require the Group to make a minimum specified investment to expand the leased terminal area and include a monthly payment for facilities and leased areas, a contractual payment per container moved based on minimum forecast volumes and a fee per tonne of non-containerised cargo moved based on minimum forecast volumes.

Shipyard

Lease commitments to operate an area used to expand and develop a Group's shipyard, expiring in 2038 and renewable for a further period of 30 years at the option of the Group. Management's intention is to exercise the renewal option.

Offshore support base

Lease commitments to operate a port area with convenient access to service oil producing basins, expiring in 2043.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

15 Lease arrangements (continued)

Logistics
Lease commitments for a distribution centre, expiring in 2026.

Floating craft
Lease commitments for the chartering of vessels for maritime transport between port terminals.

Buildings
Lease commitments for the Brazilian headquarters, branches and commercial offices in several Brazilian cities.

Vehicles, plant and equipment
Lease commitments mainly for forklifts, vehicles for operational, commercial and administrative activities and other operating equipment.

Lease liabilities

Lease liabilities are classified as follows:

	Average discount rate	**2022**	2021
Operational facilities	8.55%	(184,591)	(159,444)
Floating craft	9.61%	(7,605)	(4,823)
Buildings	9.75%	(2,121)	(2,139)
Vehicles, plant and equipment	12.12%	(1,859)	(1,437)
Total		**(196,176)**	**(167,843)**
Total current		(24,728)	(19,449)
Total non-current		(171,448)	(148,394)

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

	2022	2021
Within one year	(25,958)	(20,323)
In the second year	(23,101)	(37,535)
In the third to fifth years inclusive	(56,682)	(32,767)
After five years	(355,360)	(313,102)
Total cash flows	**(461,101)**	**(403,727)**
Adjustment to present value	264,925	235,884
Total lease liabilities	**(196,176)**	**(167,843)**

The lease liabilities balance considering the projected future inflation rate in the discounted payment flows is as follows:

	2022	2021
Actual outflow	(461,101)	(403,727)
Embedded interest	264,925	235,884
Lease liabilities	**(196,176)**	**(167,843)**
Inflated flow	(284,773)	(426,694)
Inflated embedded interest	204,117	252,974
Inflated lease liabilities	**(80,656)**	**(173,720)**

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

Amounts recognised in profit and loss

	2022	2021
Depreciation of right-of-use assets	(14,897)	(13,325)
PIS and COFINS taxes	1,324	1,262
Net depreciation of right-of-use assets	(13,573)	(12,063)
Interest on lease liabilities	(16,810)	(14,771)
PIS and COFINS taxes	1,012	889
Interest on lease liabilities	(15,798)	(13,882)
Variable lease payments not included in the measurement of lease liabilities[1]	(2,376)	(2,332)
Expenses relating to short-term leases	(29,778)	(29,641)
Expenses relating to low-value assets	(1,281)	(897)
Total	**(62,806)**	**(58,815)**

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.

Amounts recognised in the cash flow statement

	2022	2021
Payment of lease liability	(8,591)	(8,473)
Interest paid – lease liability	(16,810)	(14,771)
Short-term leases paid	(29,778)	(29,641)
Variable lease payments	(2,376)	(2,332)
Low-value leases paid	(1,281)	(897)
Total cash outflow	**(58,836)**	**(56,114)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

16 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 2021	41,107	16,013	47	57,167
Additions	1,375	-	-	1,375
Disposals	(925)	-	-	(925)
Exchange differences	(634)	(512)	(2)	(1,148)
At 1 January 2022	**40,923**	**15,501**	**45**	**56,469**
Additions	1,386	-	-	1,386
Transfers from right-of-use	60	-	-	60
Disposals	(1,105)	-	-	(1,105)
Exchange differences	558	277	2	837
At 31 December 2022	**41,822**	**15,778**	**47**	**57,647**
Accumulated amortisation				
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 1 January 2022	**35,540**	**5,948**	**-**	**41,488**
Charge for the year	1,965	424	-	2,389
Disposals	(1,105)	-	-	(1,105)
Exchange differences	381	102	-	483
At 31 December 2022	**36,781**	**6,474**	**-**	**43,255**
Carrying Amount				
31 December 2021	5,383	9,553	45	14,981
31 December 2022	**5,041**	**9,304**	**47**	**14,392**

17 Goodwill

Goodwill is classified as follows:

	Tecon Rio Grande	Tecon Salvador	Total
Carrying Value			
At 1 January 2021	10,949	2,480	13,429
Exchange differences	(157)	-	(157)
At 1 January 2022	**10,792**	**2,480**	**13,272**
Exchange differences	148	-	148
At 31 December 2022	**10,940**	**2,480**	**13,420**

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 18.

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

18 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 Rio Grande		Tecon Salvador	
	2022	2021	**2022**	2021
Discount rate	8.5%	9.2%	8.5%	9.5%
Growth rate	5.8%	4.3%	3.4%	3.4%
Inflation rate	3.3%	3.7%	3.3%	3.7%

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.

At 31 December 2022 and 2021, 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 32.7% (2021: 33.7%) for Tecon Rio Grande and 6.6% (2021: 6.4%) for Tecon Salvador would not result in an impairment loss.

Offshore support bases

For the year ended 31 December 2022 and 2021, 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.

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 from 2028 onwards to reach 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 15.2% each year until 2028. For 2032 onward, the growth rate is estimated at 1.0%, based on the expected growth in the Brazilian oil and gas sector and in the region in which the CGU operates. Projections for 2023 include a 4.6% increase in average contract prices in relation to current pricing and a 7.5% increase in public prices for Spot berthing compared to 2022. From 2024 onwards, prices are adjusted for inflation.

ii. Costs and expenses: Projections for 2023 are in line with the budget and include an increase in fixed costs of 26% over 2022. From 2024 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 comparable companies in the oil field and the maritime services sector in which the CGU operates. For the year ended 31 December 2022, the discount rate was estimated at 10.2% (2021: 10.1%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

18 Impairment Test of Cash Generating Units (continued)

At 31 December 2022, the estimated recoverable amount of the CGU of US$91.9 million (2021: US$72.1 million) exceeded its carrying value of US$47.6 million (2021: US$42.9 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 3.6% (2021: 2.5%), a decrease in revenue over the projected period of up to 11.1% (2021: 7.8%), or a decrease in revenue over the first 3 years of the projected period of up to 99.2% (2021: 80.0%) would not result in an impairment loss.

19 Trade and other payables

Trade and other payables are classified as follows:

	2022	2021
Trade payables	(25,583)	(29,242)
Accruals	(8,550)	(7,424)
Other payables	(479)	(441)
Provisions for employee benefits	(21,365)	(19,547)
Deferred income	(2,360)	(1,859)
Total trade and other payables	**(58,337)**	**(58,513)**

Trade creditors and accruals principally comprise amounts outstanding for trade purposes and ongoing costs. 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.

20 Bank loans

The movement in bank loans is as follows:

	2022	2021
Opening – 1 January	**(301,599)**	**(342,661)**
Additions	(59,793)	(19,438)
Principal amortisation	49,349	57,926
Interest amortisation	13,333	10,390
Accrued interest	(17,437)	(16,246)
Exchange difference	(5,744)	8,430
Closing – 31 December	**(321,891)**	**(301,599)**

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

The terms and conditions of outstanding bank loans are as follows:

				2022		2021	
Lender	Currency	Annual interest rate %	Year of maturity	**Carrying value**	**Fair value**	Carrying value	Fair value
BNDES	linked to US Dollar	2.30% – 3.71%	2035	(129,231)	(129,231)	(110,514)	(110,514)
BNDES	linked to US Dollar	2.07% – 4.08%	2028	(21,477)	(21,477)	(25,161)	(25,161)
BNDES	linked to US Dollar	5.00%	2022	–	–	(177)	(177)
BNDES	Real	15.91%	2034	(50,148)	(50,148)	(45,264)	(45,264)
BNDES	Real	14.65%	2029	(5,816)	(5,816)	(6,241)	(6,241)
BNDES	Real	9.79%	2027	(564)	(564)	(638)	(638)
Banco do Brasil	linked to US Dollar	2.00% – 4.00%	2035	(66,110)	(66,110)	(71,854)	(71,854)
Bradesco	Real	10.08% - 10.45%	2024	(19,571)	(19,718)	(27,248)	(27,417)
Bradesco	Real	10.75%	2023	(2,406)	(2,411)	(4,494)	(4,489)
Banco Santander	US Dollar	2.63%	2023	(20,288)	(20,304)	(10,008)	(10,008)
Banco Santander	Real	15.59%	2025	(6,280)	(6,279)	-	-
Total bank loans				**(321,891)**	**(322,058)**	**(301,599)**	**(301,763)**

The breakdown of bank loans by maturity is as follows:

	2022	2021
Within one year	(59,881)	(45,287)
In the second year	(56,022)	(47,961)
In the third to fifth years (inclusive)	(91,037)	(86,671)
After five years	(114,951)	(121,680)
Total bank loans	**(321,891)**	**(301,599)**

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

At 31 December 2022, the Group had US$37.1 million (2021: US$78.8 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 EBITDA/Net operating revenue, EBITDA/Debt service, Equity/Total assets and Net debt/EBITDA. At 31 December 2022 and 2021, 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 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

21 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.

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:

	2022	2021
Opening balance – 1 January	**(1,562)**	**(1,641)**
Current service cost	(7)	(3)
Interest expense	(146)	(133)
Contributions to the plan	(14)	(30)
Changes in economic and financial assumptions	228	522
Changes in biometric and demographic assumptions	(126)	(391)
Exchange differences	(110)	114
Closing balance – 31 December	**(1,737)**	**(1,562)**

The calculation of the liability generated by the defined health benefits plan involves actuarial assumptions that are based on market conditions. The principal actuarial assumptions, and the impact of a change (keeping the other assumptions constant) on the defined benefit obligation valuation are as follows:

	2022	2021
Annual interest rate	9.18%	8.67%
Estimated inflation rate in the long-term	3.00%	3.00%
Impact of 0.5% increase	(214)	(195)
Impact of 0.5% decrease	247	223
Medical cost trend rate	5.58%	5.58%
Impact of 0.5% increase	255	229
Impact of 0.5% decrease	(222)	(199)

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

22 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 2022	**(6,190)**	**(1,295)**	**(1,422)**	**(8,907)**
Additional provisions	(288)	(1,536)	(263)	(2,087)
Unused amounts reversed	1,385	165	463	2,013
Utilisation of provisions	524	5	30	559
Exchange difference	(409)	(71)	(95)	(575)
At 31 December 2022	**(4,978)**	**(2,732)**	**(1,287)**	**(8,997)**

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

	Labour claims	Tax cases	Civil and environmental cases	**Total**
At 31 December 2021	(4,968)	(52,793)	(14,881)	(72,642)
At 31 December 2022	**(6,002)**	**(66,071)**	**(11,158)**	**(83,231)**

Other non-current assets of US$3.5 million (2021: US$3.6 million) represent legal deposits required by the Brazilian legal authorities as security to contest legal actions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

23 Related party transactions

Transactions between the Group and its subsidiaries 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)	
	2022	2021	**2022**	2021
Joint ventures				
Wilson, Sons Ultratug Participações S.A.[1]	2,778	524	11,176	10,784
Others				
Hanseatic Asset Management LBG[2]	(3,047)	(4,876)	(484)	(2,133)
Hansa Capital Partners[3]	(32)	-	-	-
Gouvêa Vieira Advogados[4]	(28)	(21)	-	-

1. Related party loans with Wilson, Sons Ultratug Participações S.A. (interest – 3.6% per year with no maturity date).
2. Mr. W Salomon is chairman and Mr. C Townsend is a director of Hanseatic Asset Management LBG. Fees were paid to Hanseatic Asset Management LBG for acting as Investment Manager of the Group's investment portfolio.
3. Mr. W Salomon is a partner of Hansa Capital Partners. Office facilities charges were paid to Hansa Capital Partners.
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.

Mr. J F Gouvêa Vieira is a Director of Jofran Services. During the year ended 31 December 2022, directors' fees of US$0.04 million were paid to Mr. J F Gouvêa Vieira through Jofran Services (2021: US$0.10 million).

Mr. C Townsend is a Director of Hansa Capital GmbH. During the year ended 31 December 2022, directors' fees of US$0.09 million were paid to Mr. C Townsend through Hansa Capital GmbH (2021: US$0.09 million).

Remuneration of key management personnel

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

	2022	2021
Short-term employee benefits	(4,914)	(6,131)
Post-employment benefits	(70)	(67)
Share based payment expense	(306)	(236)
Total remuneration of key management personnel	**(5,290)**	**(6,434)**

24 Share capital

	2022	2021
Authorised		
50,060,000 ordinary shares of 20p each (2021: 50,060,000 ordinary shares of 20p each)	16,119	16,119
Issued and fully paid		
35,363,040 ordinary shares of 20p each (2021: 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.

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

25 Equity transactions in subsidiaries

On 13 May 2022, the Group's subsidiary Wilson Sons Holdings Brasil S.A. (WSSA) executed a 1:6 stock split, previously approved by the shareholders of WSSA on 26 April 2022. Comparative data presented within this note has been updated to reflect the stock split.

Share options in subsidiary

On 8 January 2014, the shareholders of the subsidiary WSSA approved a share option plan which allowed for the grant of options to eligible participants, including an increase in the authorised capital of WSSA through the creation of up to 26,465,562 new shares.

The options provide participants with the right to acquire shares in WSSA 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:

	2022		2021	
	Number of shares	**WAEP (R$)**	Number of shares	WAEP (R$)
Opening balance – 1 January	**9,153,840**	**6.34**	**13,280,940**	**5.33**
Granted during the period	-	-	2,700,000	8.66
Exercised during the period	(3,726,240)	5.21	(6,743,100)	5.28
Expired during the period	-	-	(84,000)	6.33
Outstanding at 31 December	**5,427,600**	**7.12**	**9,153,840**	**6.34**
Exercisable at 31 December	**2,654,160**	**5.56**	**6,284,520**	**5.34**

The options outstanding at 31 December 2022 had an exercise price in the range of R$5.21 to R$8.66 (2021: R$5.21 to R$8.66) and a weighted-average contractual life of 5.4 years (2021: 4.7 years). The weighted average share price at the date of exercise for the year ended 31 December 2022 was R$9.11 (2021: R$5.58).

During the year ended 31 December 2022, 3,726,240 share options of the subsidiary WSSA were exercised (2021: 6,743,100), resulting in an increase in non-controlling interest of 0.48% (2021: 0.89%).

Share buyback in subsidiary

On 13 May 2022, the Board of Directors of the subsidiary WSSA approved a share buyback program, which allows for the repurchase of the subsidiary's own common shares. The program is to be executed within 18 months of its approval and is limited to 8,181,000 common shares to be acquired at market price.

The weighted average share price at the date of repurchase for the year ended 31 December 2022 was R$9.28 (2021: n/a).

During the year ended 31 December 2022, 1,427,200 shares of the subsidiary WSSA were repurchased (2021: n/a), resulting in a decrease in non-controlling interest of 0.19% (2021: n/a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

26 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.

For the year ended 31 December 2022	Wilson Sons Holdings Brasil S.A.	Other	**Total**
Net assets attributable to non-controlling interest	199,004	514	199,518
Profit allocated to non-controlling interest	27,858	2,295	30,153
Other comprehensive income allocated to non-controlling interest	3,213	(15)	3,198
Dividends to non-controlling interest	22,728	2,445	25,173

For the year ended 31 December 2021	Wilson Sons Holdings Brasil S.A.	Other	**Total**
Net assets attributable to non-controlling interest	189,336	679	190,015
Profit allocated to non-controlling interest	17,170	1,609	18,779
Other comprehensive income allocated to non-controlling interest	(3,095)	(15)	(3,110)
Dividends to non-controlling interest	16,533	1,275	17,808

27 Dividends

The following dividends were declared and paid by the Company to its shareholders:

	2022	2021
70c per share (2021: 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:

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

28 Earnings per share

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

	2022	2021
(Loss)/profit for the year attributable to equity holders of the Company	(18,675)	63,687
Weighted average number of ordinary shares	35,363,040	35,363,040
Earnings per share – basic and diluted	(52.8)c	180.1c

The Company has no dilutive or potentially dilutive ordinary shares.

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

29 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 20 and the lease liabilities included in note 15, 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.

During the year ended 31 December 2022, the Group continued to assess and evaluate risks relating to climate change, including those related to existing and emerging regulatory requirements. The Group's process for managing climate related risks is grounded in its emissions monitoring work, which includes greenhouse gas (GHG) emissions, water consumption and solid waste disposal within its operating entity. 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. The approach to evaluating climate related risks in the investment portfolio includes gaining insight on the approach funds take to climate change across categories such as decarbonisation policy, technology, legal and reputational.

30 Financial instruments

Accounting classification and fair value

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

		2022		2021	
	Classification	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets					
Cash and cash equivalents	Amortised cost	75,724	75,724	28,565	28,565
Financial assets at fair value through profit and loss	At fair value through profit and loss	275,080	275,080	392,931	392,931
Trade and other receivables	Amortised cost	67,136	67,136	59,350	59,350
Financial liabilities					
Trade and other payables	Other financial liabilities	(58,337)	(58,337)	(58,513)	(58,513)
Bank loans	Other financial liabilities	(321,891)	(322,058)	(301,599)	(301,763)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

30 Financial instruments (continued)

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

The fair value of financial assets at fair value through profit and loss are based on quoted market prices at the close of trading at the end of the period if traded in active markets and based on valuation techniques if not traded in active markets. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

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 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 2022				
Financial assets at fair value through profit and loss	31,925	122,789	120,366	275,080
Bank loans	-	(321,891)	-	(321,891)
31 December 2021				
Financial assets at fair value through profit and loss	67,177	196,069	129,685	392,931
Bank loans	-	(301,599)	-	(301,599)

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

During the year ended 31 December 2022, no financial instruments were transferred between Level 1 and Level 2 (2021: none). The movement in Level 3 financial instruments for the year is as follows:

	2022	2021
Balance at 1 January	**129,685**	**99,137**
Transfers from Level 2 to Level 3	-	77
Purchases of investments and drawdowns of financial commitments	12,830	15,379
Sales of investments and repayments of capital	(9,231)	(12,992)
Realised gains	4,526	6,873
Unrealised (losses)/gains	(17,444)	21,211
Balance at 31 December	**120,366**	**129,685**
Cost	130,183	125,983
Cumulative unrealised (losses)/gains	(9,816)	3,702

Investment in private equity funds require a long-term commitment with no certainty of return. The Group's intention is to hold Level 3 investments to maturity. In the unlikely event that the Group is required to liquidate these investments, the proceeds received may be less than the carrying value due to their illiquid nature. The following table summarises the sensitivity of the Company's Level 3 investments to changes in fair value due to illiquidity, based on the assumptions that the proceeds realised will be decreased by 5%, 10% or 20%, with all other variables held constant.

	5% scenario	10% scenario	20% scenario
31 December 2022	**(6,018)**	**(12,037)**	**(24,073)**
31 December 2021	(6,484)	(12,968)	(25,936)

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.

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%) or AAA (limited to a minimum of 40% and maximum of 100%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

30 Financial instruments (continued)

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, an interest 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 recalibrate, when appropriate, the matrix to adjust the historical credit losses experience with forward-looking information. 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 days	91-180 days	More than 180 days	**Total**
31 December 2022						
Expected credit loss rate	0.05%	0.05%	2.56%	7.48%	63.70%	
Receivables for services	44,699	5,997	2,461	1,236	936	55,329
Allowance for expected credit losses	(24)	(3)	(63)	(92)	(610)	(792)
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)

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 to 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 sales 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 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.

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

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):

	Assets		Liabilities	
	2022	2021	**2022**	2021
Real	157,063	173,297	(395,616)	(367,528)
Sterling	12,241	11,603	(19)	(22)
Swiss Franc	2,341	3,305	-	-
Euro	15,083	31,549	-	-
Yen	4,226	5,394	-	-
Total foreign currency denominated monetary items	**190,954**	**225,148**	**(395,635)**	**(367,550)**

The Group is primarily exposed to unfavourable movements in the Real on its Brazilian monetary assets and 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.

	Currency	Amount ($US)	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
31 December 2022					
Projected exchange rate			5.25	6.56	7.88
Total assets	BRL	157,063	(934)	(32,160)	(52,977)
Total liabilities	BRL	(395,616)	2,434	81,070	133,495
Net impact			**1,500**	**48,910**	**80,518**
31 December 2021					
Projected exchange rate			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**

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 directly 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 2022	**13,647**	**27,293**	**54,586**
31 December 2021	17,481	34,961	69,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

30 Financial instruments (continued)

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 unfavourable 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 unfavourable movement in the interest rates, considering three scenarios: a likely scenario (probable), a 25% devaluation scenario (possible) and a 50% devaluation scenario (remote). 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 Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

	Risk	Amount ($US)	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
31 December 2022					
Borrowing	Brazilian Interbank Interest Rate	(28,257)	(10)	(719)	(1,408)
Borrowing	Brazilian Long-Term Interest Rate	(564)	-	(6)	(12)
Borrowing	Brazilian National Consumer Prices	(55,964)	-	(788)	(1,566)
Borrowing	N/A (fixed interest rates)	(237,106)	-	-	-
Investments	Brazilian Interbank Interest Rate	22,014	177	1,156	2,136
Net impact			**167**	**(357)**	**(850)**
31 December 2021					
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 (fixed interest rates)	(217,712)	-	-	-
Investments	Brazilian Interbank Interest Rate	18,626	2,207	4,111	4,089
Net impact			**1,592**	**1,649**	**(180)**

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.

For the year ended 31 December 2022 - (Expressed in thousands of US Dollars)

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.

At 31 December 2022, 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$134.3 million in North America (2021: US$174.8 million) and their sector exposure of US$66.4 million in information technology (2021: US$94.6 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.

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 and to meet the expected operational expenses, 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 expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

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.

	Weighted average effective interest rate %	Less than 12 months	1-5 years	5+ years	**Total**
31 December 2022					
Variable interest rate instruments	12.29%	(24,954)	(48,690)	(33,479)	(107,123)
Fixed interest rate instruments	2.89%	(47,537)	(125,319)	(94,714)	(267,570)
Lease liability	8.06%	(25,958)	(79,783)	(355,360)	(461,101)
Total contractual cash outflows		**(98,449)**	**(253,792)**	**(483,553)**	**(835,794)**
31 December 2021					
Variable interest rate instruments	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)
Total contractual cash outflows		**(77,419)**	**(231,992)**	**(447,284)**	**(756,695)**

Limitations of sensitivity analysis

The sensitivity information included in note 30 demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. There are normally significant levels of correlation between the assumptions and other factors.

STATISTICAL STATEMENT (UNAUDITED)

For the year ended 31 December 2022 - *(Expressed in thousands of US Dollars)*

	2022	2021	2020	2019	2018
Income Statement					
Sales of services	440,107	396,376	352,792	406,128	460,196
Raw materials and consumables used	(32,956)	(24,036)	(19,266)	(25,290)	(38,128)
Employee charges and benefits expenses	(126,330)	(112,026)	(110,016)	(140,348)	(146,327)
Other operating expenses	(106,055)	(98,289)	(84,666)	(89,207)	(117,025)
Depreciation & amortisation expense	(64,435)	(61,412)	(61,323)	(66,122)	(56,178)
Impairment charge	–	–	–	(13,025)	-
Gain/(loss) on disposal of property, plant and equipment and intangible assets	100	(499)	65	294	(296)
Foreign exchange gain/(loss) on monetary items	1,620	(3,100)	(7,551)	(79)	(8,459)
Operating profit	112,051	97,014	70,035	72,351	93,783
Share of results of joint ventures and associates	3,165	(5,029)	(4,142)	564	(4,062)
Returns on investment portfolio at fair value through profit or loss	(47,947)	49,474	33,383	34,716	(7,942)
Investment portfolio performance and management fees	(3,047)	(4,954)	(3,130)	(3,417)	(2,742)
Other investment income	8,421	4,113	1,644	6,052	4,152
Finance costs	(34,509)	(30,227)	(23,210)	(27,736)	(22,951)
Profit before tax	38,134	110,391	74,580	82,530	60,238
Tax expense	(26,656)	(27,925)	(26,577)	(21,481)	(26,433)
Profit for the year	11,478	82,466	48,003	61,049	33,805
Profit for the year attributable to:					
Equity holders of the Company	(18,675)	63,687	38,712	46,852	13,308
Non-controlling interests	30,153	18,779	9,291	14,197	20,497
	11,478	82,466	48,003	61,049	33,805
Statement of financial position					
Current assets	470,034	518,523	492,769	460,616	438,928
Non-current assets	931,253	861,824	861,093	981,011	773,521
Total assets	**1,401,287**	**1,380,347**	**1,353,862**	**1,441,627**	**1,212,449**
Current liabilities	(153,236)	(131,306)	(124,276)	(115,678)	(119,036)
Non-current liabilities	(493,925)	(465,369)	(485,879)	(540,089)	(315,704)
Total liabilities	**(647,161)**	**(596,675)**	**(610,155)**	**(655,767)**	**(434,740)**
Net assets	**754,126**	**783,672**	**743,707**	**785,860**	**777,709**
Key Statistics					
Earnings per share (US$)	(52.8)c	180.1c	109.5c	132.5c	37.6c
Cash dividends per share paid (US$)	70.0c	70.0c	70.0c	70.0c	70.0c
Book value per share (US$)	$22.69	$22.16	$21.03	$22.22	$21.99
Mid-market quotation at end of period	£9.30	£9.32	£8.45	£9.90	£11.70
Mid-market quotation at end of period in (US$)	$11.24	$12.62	$11.55	$13.13	$14.92

SECTION FIVE

Shareholder Information

DIRECTORY

Bermuda Office

Mailing Address:

PO Box HM 2250
Hamilton HM JX
Bermuda

Office Address:

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

Registered Office

Mailing Address:

PO Box HM 2250
Hamilton HM JX
Bermuda

Office Address:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Registrars

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

UK Transfer Agent and Ocean Wilsons Dividend Access

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

Brokers

Peel Hunt
100 Liverpool Street
London
EC2M 2AT
UK

Bankers

HSBC Bank Bermuda Limited
37 Front Street
Hamilton HM 11
Bermuda

Lombard Odier & Cie SA
Rue de la Corraterie 11
1204 Geneva
Switzerland

Notice is hereby given that the 2023 Annual General Meeting of the Company will be held at the Company's registered office, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on 30 May 2023 at 9:00am for the following purposes:

1 To appoint a Chair of the meeting.

2 To confirm notice and quorum.

3 To receive and, if approved, adopt the Directors' Report and Accounts for the year ended 31 December 2022.

4 To declare a dividend of 70 cents per share.

5 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 Ms Caroline Foulger as a Director until the next Annual General Meeting.

7 To re-elect Mr William Salomon as a Director until the next Annual General Meeting.

8 To re-elect Mr Andrey Berzins as a Director until the next Annual General Meeting.

9 To re-elect Mr Christopher Townsend as a Director until the next Annual General Meeting.

10 To re-elect Ms Fiona Beck as a Director until the next Annual General Meeting.

11 To re-appoint KPMG Bermuda as the Auditor and to authorise the Directors to determine the remuneration of the Auditor.

12 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 2022.

On Behalf of the Board

Conyers Corporate Services (Bermuda) Limited
Company Secretary
Clarendon House, Church Street, Hamilton HM 11, Bermuda
23 March 2023

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

FORM OF PROXY

*** I / We**

* **of**

being a Member of Ocean Wilsons Holdings Limited, hereby appoint Ms Caroline Foulger, or failing her any Director of the Company as my/our proxy to vote for me/us and on my/our behalf at the 2023 Annual General Meeting of the Company to be held on 30 May 2023 and at any adjournment thereof. The proxy will vote on the Resolutions as indicated opposite.

Or

as my/our proxy to vote for me/us and on my/our behalf at the 2023 Annual General Meeting of the Company to be held on 30 May 2023 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 2022.	☐	☐	☐
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 Ms Caroline Foulger as a Director until the next Annual General Meeting.	☐	☐	☐
5	To re-elect Mr William Salomon as a Director until the next Annual General Meeting.	☐	☐	☐
6	To re-elect Mr Andrey Berzins as a Director until the next Annual General Meeting.	☐	☐	☐
7	To re-elect Mr Christopher Townsend as a Director until the next Annual General Meeting.	☐	☐	☐
8	To re-elect Ms Fiona Beck as a Director until the next Annual General Meeting.	☐	☐	☐
9	To re-appoint KPMG Bermuda 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 2022.	☐	☐	☐

Signature Dated 2023

Notes

(1) If any other proxy is preferred, delete the names inserted above and add the name of the proxy whom you wish to appoint, and initial the alteration.

(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.

(3) To be valid, the proxy should be deposited at the Transfer Agents of the Company, Link Group, PXS 1, Central Square, 29 Wellington Street, LEEDS, LS 14DL, United Kingdom no later than 9:00 am (Bermuda time) on 25 May 2023.

(4) In the case of a corporation, this proxy must be under its Common Seal or under that of an Officer or Attorney duly authorised 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 joint holding.

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

OCEAN WILSONS HOLDINGS LIMITED

ANNUAL REPORT 2022