



Wilson, Sons

SPECIAL GENERAL MEETING

MANAGEMENT PROPOSAL

22 October 2021

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Notice of Special General Meeting

NOTICE IS HEREBY GIVEN that the Special General Meeting of **Wilson Sons Limited**, incorporated in Bermuda (the "Company"), sponsor of a Brazilian Depositary Receipts ("BDRs") programme traded on the Brazilian stock exchange ("B3") under the ticker symbol WSON33, will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on 22 October 2021 at 10:00 a.m.

The Special General Meeting shall discuss and resolve the proposal of the Board of Directors for the **Merger of the Company into its subsidiary Wilson Sons Holdings Brasil S.A. ("WS S.A.")**, pursuant to the terms of the following documents provided to the Members:

- (a) a protocol and justification (protocolo e justificação) of merger between the Company and WS S.A.; and
- (b) a merger agreement between the Company and WS S.A.

The beneficial owners of the Company's BDRs duly registered in the books of Banco Itaú Unibanco S.A. or the registers of the Companhia Brasileira de Liquidação e Custódia – CBLC at the close of trade on the B3 for the 21 September 2021 will have the right to instruct the depositary agent, Banco Itaú Unibanco S.A., at Rua Ururai, 111 – Prédio II – Piso Térreo - Bairro: Tatuapé – São Paulo/SP – CEP: 03084-010 – C/O DSMC / Superintendência de Custódia Internacional / Unidade de Atendimento Cliente Não Residente - ADR/BDR, to exercise the right to vote in relation to their participation, with instructions that must be received by Itaú Unibanco S.A. no later than 16:00 hrs (Brasilia time) on 13 October 2021.

Hamilton, 21 September 2021

By order of the Board of Directors of Wilson Sons Limited.

Malcolm Mitchell
Secretary



Protocol and Justification
of Merger of Wilson Sons Limited
into Wilson Sons Holdings Brasil S.A.

Wilson Sons Holdings Brasil S.A., a corporation in process of registration as issuer of securities with the Brazilian Securities and Exchange Commission ("CVM"), category A, headquartered in the city of Rio de Janeiro, State of Rio de Janeiro, at Rua da Quitanda, 86, 5th floor, room 501, ZIP CODE 20.091-005, registered with the National Register of Corporate Taxpayer of the Ministry of Economy ("CNPJ") under No. 33.130.691/0001-05, with its constitutive acts registered with the Board of Trade of the State of Rio de Janeiro under NIRE 3330033743-1, herein represented pursuant to its Bylaws ("WS S.A." or "Surviving Company"); and

Wilson Sons Limited, a limited liability company registered as a foreign issuer of securities with the CVM, category A, incorporated and validly existing under the laws of Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton, registered with the CNPJ under the No. 05.721.735/0001-28, herein represented under the terms of its Certificate of Incorporation ("WSL" or "Merged Company" and, together with the Surviving Company, the "Parties");

Whereas:

- (A) at a meeting held on 21 May 2021, the WSL Board of Directors approved the adoption of the necessary preparatory acts and measures for a proposed corporate restructuring involving the merger of WSL into WS S.A., subject to the approval of its shareholders;
- (B) WSL sponsors the Level III Brazilian Depositary Receipts Programme, backed by common shares issued by WSL ("BDRs"), which are admitted to trading at B3 S.A. – Brasil, Bolsa, Balcão ("B3");
- (C) On the date of the Merger the sole shareholder of WS S.A. will be WSL, holder of 129,606,513 common, nominative shares with no par value;
- (D) WS S.A. shall merge with WSL, with the consequent extinction of the latter, upon the absorption, by the Surviving Company, of all the assets and succession in all legal relations of the Merged Company ("Merger");
- (E) as a result of the Merger, all the shares issued by WS S.A. under the ownership of WSL will be cancelled, and the share capital of WS S.A. will be increased,

with the consequent receipt of new shares of the capital of WS S.A. by the shareholders (including BDR holders) of WSL, as provided herein;

(F) the Board of Directors of WS S.A. and the Board of Directors of WSL, at meetings held on this date, deliberated on the terms of this Protocol and Justification (as defined below), and proposed to their respective shareholders the approval of the Merger and the terms and conditions of this Protocol and Justification; and

(G) it is in the interest of the Parties to implement the Merger, as provided herein;

the Parties resolve to execute this "Protocol and Justification of the Merger of Wilson Sons Limited into Wilson Sons Holdings Brasil S.A." ("Protocol and Justification"), aiming to regulate the terms and conditions applicable to the Merger, which will be submitted to the resolution of the Parties' shareholders, in compliance with the provisions of Articles 223, 224, 225, 226 and 227 of Law No. 6,404, of 15 December 1976, as amended ("Brazilian Corporate Law").

I. General Conditions and Justification

1. General Conditions. The present transaction consists of the merger of WSL into WS S.A., with the consequent extinction of WSL and succession by WS S.A. in all its rights, obligations and legal relationships, even if not known or recorded, whether in equity, income or offset account, including contracts.

2. Justification. The Board of Directors of the WS S.A. and WSL understand that the Merger is in the best interest of the Parties and their shareholders, as the Merger will result in:

- (i) the simplification of the corporate structure in which WSL and WS S.A. are inserted, so that WS S.A. will become the new holding company of the Wilson Sons group, whose operations are currently predominantly concentrated in Brazil, with the consequent increase in its administrative and operational efficiency;
- (ii) the attribution to the shareholders (including BDR holders) of WSL of the common shares issued by WS S.A., to be admitted to trading on the Novo Mercado, a special listed segment for trading B3 shares ("Novo Mercado"), in substitution for their respective BDRs, so that the common shares issued by WS S.A. are expected to have greater liquidity when compared to the liquidity of the BDRs; and
- (iii) the expanded access to the Brazilian and international capital markets, considering that WS S.A. will be a national issuer registered with the

CVM under category A and that, upon the Merger, it will be listed on the Novo Mercado, a segment of B3 that requires high standards of corporate governance.

II. Appraisal of WSL's Net Equity

3. WSL Equity and Base-Date. WSL's equity to be absorbed by WS S.A. consists of all the equity owned by WSL, by reference to the equity existing on 30 June 2021 ("Base-Date").

4. Appraisal criteria. The appraisal of WSL's equity was carried out by the Appraiser (as defined below) using the accounting valuation criterion (book equity value) of the assets, rights and obligations in WSL's balance sheet on the Base-Date.

5. Appraiser and Appraisal Report at Book Value. Apsis Consultoria e Avaliações Ltda., headquartered at Rio de Janeiro/RJ, at Rua do Passeio 62, 6th floor, Centro, registered with the CNPJ under No. 08.681.365/0001-30 ("Appraiser") was hired to carry out the appraisal of the net equity, at book value, of WSL ("Appraisal Report at Book Value"). The Appraisal Report at Book Value is contained in Annex I to this Protocol and Justification, which will be submitted for approval by the General Meeting of the Surviving Company that decides on the approval of the Merger.

5.1. The appointment of the Appraiser will be submitted for ratification by the General Meeting of the Surviving Company that decides on the approval of the Merger, pursuant to paragraph 1 of article 227 of the Brazilian Corporation Law.

6. Net Equity Value to be Merged. According to the Appraisal Report at Book Value, disregarding the balance of the investment held by WSL in WS S.A. (to be extinguished as a result of the Merger, including, as per item 12 below), the net assets of WSL to be merged consists, in accounting terms, in R\$ 191,353,373.07. Thus, in view of (i) WSL's net assets, in the amount of R\$ 191,353,373.07 and (ii) the balance of liabilities payable by WSL in the amount of R\$ 175,077.00, the value of WSL's net equity to be merged into WS S.A corresponds to R\$ 191,178,296.07, on the Base-Date.

7. Inapplicability of the Appraisal Report of art. 264. WS S.A.'s and WSL's net equity was not appraised, using the net equity value at market prices or discounted cash flow criteria, pursuant to article 264 of the Brazilian Corporation Law, since WSL (merged company) is a foreign company governed by the laws of Bermuda and WS S.A. (surviving company) is a Brazilian corporation with no minority shareholders. Furthermore, the proposed Merger will not result in dilution of the equity interests of the current shareholdings of the shareholders or BDR holders of WSL. Considering these characteristics, it was concluded that there is no interest to be legally protected by CVM, and its enforcement is not required, in the sense of requiring the preparation of

the reports referred to in art. 264 of the Brazilian Corporation Law, pursuant to Technical Opinion No. 26/2021-CVM/SEP/GEA-4.

8. Inapplicability of Pro Forma Financial Information. Pro forma financial information of WS S.A. will not be prepared, considering the effects of the Merger, considering that the Merger will not represent a dilution greater than 5% (five percent), as provided for in article 10, caput and paragraph 1, of CVM Instruction No. 565, of 15 June 2015 ("CVM Instruction 565"); as well as that the Merger is not considered relevant based on the criteria established by accounting standards, guidelines and interpretations in respect of pro forma financial information, as provided for in article 10, paragraph 3, of CVM Instruction 565.

9. Equity Variations. Equity variations that occur in WSL's equity between the Base-Date and the date of completion of the Merger will be the responsibility of the Surviving Company.

III. Replacement Ratio

10. Replacement Ratio. The management of the Parties have agreed to a 1:1 replacement ratio between shares issued by WSL (including in the form of BDRs) and shares issued by WS S.A., so that, as a result of the Merger, the shareholders (including the BDR holders) of WSL shall receive 1 (one) fully subscribed and paid-up common share of the Surviving Company, for each 1 (one) common share of WSL (or BDR) held by them ("Merger Consideration").

10.1. Such replacement ratio was freely negotiated, agreed and approved between the Parties, and approved by the respective Boards of Directors of the Parties, in order to reflect the fact that WSL is the sole shareholder of WS S.A. immediately prior to the Merger, allowing the attribution of WS S.A. shares to the shareholders (including BDR holders) of WSL in an amount equivalent to that of the WSL shares (or BDRs) held by them prior to the Merger, without any dilution; as well as the fact that, as a result of the Merger, WS S.A. will own the same assets and liabilities that, directly or indirectly, were owned by WSL prior to the Merger.

10.2. For the purposes of Section 106(2) of the Companies Act 1981 of Bermuda (the "Bermuda Companies Act"), the Board of Directors of WSL has established that the Merger Consideration corresponds to the fair value of the common shares issued by WSL (including in the form of BDRs).

11. Replacement of WSL Shares (or BDRs) for WS S.A. Shares Thus, upon the effectiveness of the Merger, on the one hand, 72,859,960 shares issued by WSL (including those underlying the BDRs) that are held by the its shareholders (including BDR holders) will be extinguished, and, on the other hand, the respective shareholders

(including BDR holders) will receive 72,859,960 shares issued by the Surviving Company, subject to the provisions of the item IV below.

IV. Effects on the Surviving Company's Share Capital

12. Current Composition of the Surviving Company's Share Capital. At date of the Merger, the totality of WS S.A.'s share capital shall be owned by WSL, which consists of 129,606,513 common, nominative shares with no par value.

13. Cancellation of Shares under WSL Ownership. As a result of the Merger, and subject to the transfer of the net assets of WSL to WS S.A., all common, nominative shares and with no par value, issued by WS S.A. and which are under the ownership of WSL, shall be cancelled.

14. Capital Increase of WS S.A. In view of the value of the net book equity of WSL to be merged as determined in accordance with the terms of item 6 above, immediately prior to the Merger, WS S.A.'s share capital shall be increased by R\$ 191,178,296.07, increasing from R\$ 129,606,513.00 to R\$ 320,784,809.07, with the consequent issuance of 72,859,960 new common, nominative shares with no par value (the "New Shares"). The New Shares will be subscribed by WSL, on behalf and by order of its shareholders (including BDR holders), in the proportions in which they participate in WSL's capital, subject to the provisions of the item 17 below.

15. Amendment to the Bylaws. In view of the above, WSL, as the sole shareholder of WS S.A., shall approve the following amendment to WS S.A.'s Bylaws, so that Article 5 of WS S.A.'s Bylaws is deleted and replaced with the following wording:

"Article 5. The Corporation's share capital, totally subscribed and fully paid-in, is R\$320,784,809.07 (three hundred and twenty million, seven hundred and eighty four thousand, eight hundred and nine reais and seven cents), divided into 72,859,960 (seventy two million, eight hundred and fifty nine thousand, nine hundred and sixty) common, all nominative, book-entry shares with no par value, fully paid-in."

16. Final Composition of the Surviving Company's Share Capital. Consequently, once the Merger has been carried out, all common, nominative shares with no par value issued by the Surviving Company representing the entirety of its share capital, will be held by WSL's Shareholders, subject to the provisions of items 18 to 21 below.

V. General Provisions

17. Corporate Approvals. The completion of the Merger will depend on the performance of:

- (i) extraordinary general meeting of WS S.A. that approves, among others:
 - (a) this Protocol and Justification and the Merger; (b) the Merger Agreement, which governs the Merger, for the purposes of Section 105 of the Bermuda Companies Act ("Merger Agreement"); (c) ratification of the appointment of the Appraiser to prepare the Appraisal Report; (d) the Appraisal Report; (e) the capital increase required in connection with the Merger, pursuant to this Protocol and Justification; (f) the amendment to article 5 of WS S.A.'s Bylaws; and (g) authorization for the directors or officers of WS S.A. to take all necessary steps to consummate the Merger; and
- (ii) special general meeting of WSL that approves, among others: (a) this Protocol and Justification and the Merger; (b) the Merger Agreement; and (c) authorization for the directors and officers of WSL to take all necessary steps to consummate the Merger and perform all of its obligations in connection with the Protocol and Justification and the Merger Agreement, including the subscription by WSL of the New Shares.

18. Relevant Fact(s). The directors and officers of WS S.A. and WSL shall timely disclose one or more relevant fact(s) together with respect to the consummation of the Merger, stating: (i) the cut-off date on which the holders, at the close of the trading session, of WLS's BDRs will be entitled to receive shares issued by WS S.A., in replacement of the respective BDRs held by them, under the terms of this Protocol and Justification; (ii) the closing date of the BDRs trading on B3; (iii) the start date of the trading of shares issued by the Surviving Company on B3; and (iv) the date on which the credit of the New Shares to shareholders (including BDR holders) of WSL will occur.

19. Discontinuation of the BDR Programme. As a result of the Merger, the common shares of WSL will be converted into common shares of WS S.A., with the extinction of the shares issued by WSL that serve as backing for the BDRs. In this context, the WSL-sponsored BDR Programme will be discontinued, without the applicability of the proceedings provided for in item 6.6.7 of the B3 Issuer's Manual, which is conditional on: (i) obtaining the publicly-held corporation registration of the WS S.A., and (ii) the approval of the listing and admission to trading of shares issued by WS S.A. on the Novo Mercado by B3, which is expected to occur as soon as the Merger is approved by the general meetings of the Parties.

20. Absence of Withdrawal Rights under Brazilian Law. Considering that WSL is a company incorporated under the laws of Bermuda, shareholders (including BDR holders) will not have the right to withdraw under the terms of the Brazilian Corporate Law.

21. Appraisal Rights. Any shareholder of WSL who dissents from the Merger and who does not agree that the exchange ratio offered for their shares represents fair value may within one month after the date of notice convening of WSL Special General Meeting (referred to in item 17, subitem (ii) above) exercise their appraisal rights under the Bermuda Companies Act, in order to have the fair value of the WSL shares appraised by the Supreme Court of Bermuda (the “Court”).

21.1. Appraisal rights may be exercised only by WSL shareholders, i.e., shareholders of record duly registered in the WSL Register of Members, and not by BDR holders who own beneficial interest in WSL shares. If they wish to exercise appraisal rights, such BDR holders shall, in advance, notify the depositary institution (Itaú Unibanco S.A.) to cancel their BDRs and request the custodian (The Bank of New York (Nominees) Limited) to transfer the underlying shares, so the shares can be duly recorded in the Register of Members of WSL, in the name of such former BDR holders (being each one of them a “Dissenting Shareholder”), before the exercise of the relevant appraisal rights.

21.2. The legislation of Bermuda does not prescribe the operation of the provisions of the Bermuda Companies Act governing appraisal rights or the process of appraisal by the Court and the Court retains discretion as to the precise methodology that it would adopt when determining the fair value of shares in an appraisal application under the Bermuda Companies Act. In any case where a Dissenting Shareholder has made an appraisal application, in respect of the WSL shares held by such Dissenting Shareholder, and the Merger has been made effective under Bermuda law before the Court’s appraisal of the fair value of such dissenting shares then, if the fair value of the dissenting shares is later appraised by the Court, such dissenting shareholder will be paid the difference between the amount already paid to him (in WS S.A. shares) and the value appraised by the Court, if any, within one month of the Court’s appraisal.

21.3. Cancellation charges, transfer charges, legal expenses and lawyers’ fees that may be charged, as well as taxes, must be carefully analyzed by the Dissenting Shareholder prior to the filing an application with the Court. A WSL shareholder who has exercised appraisal rights has no right of appeal from appraisal made by the Court. The responsibility for costs of any application to the Court under Section 106 of the Bermuda Companies Act will be in the Court’s discretion.

22. Succession. As a result of the Merger, the Merged Company will be extinguished and the Surviving Company will assume, by succession, the responsibility,

individual or joint, for any debts, obligations or liabilities of the Merged Company, of any nature, present, contingent, past and/or future, including with respect to the assets, liabilities and other legal relationships merged.

23. Implementation. WSL and the Surviving Company, as applicable, shall take all necessary measures for the registration, filing, publication or other act relating to any documents, instruments and/or corporate acts, directly or indirectly, related to this Protocol and Justification, including before the competent bodies, in accordance with the applicable laws and regulations of Brazil and Bermuda.

23.1. The Parties shall also adopt the necessary measures with B3, the bookkeeping agent of the shares issued by WS S.A., as well as with the custodian institution and the depository institution of the BDRs, in order to allow the operationalization of the receipt of the shares issued by WS S.A. by the holders of BDRs, replacing the BDRs, as a result of the Merger, under the terms of this Protocol and Justification.

24. Final Provisions. This Protocol and Justification binds the Parties and their respective successors and assignees in any capacity, and may only be amended by means of a written instrument entered into between the Parties. The invalidation, in whole or in part, of any of the covenants contained in this Protocol and Justification will not affect the others, which will be fully complied with, obliging the Parties to use their best efforts in order to adjust the inclusion, in this Protocol and Justification, of valid terms and conditions to obtain the same effects of the covenant that has been invalidated.

Thus agreed, the Parties sign this instrument in 6 (six) copies for the same legal purposes.

Rio de Janeiro, 21 September 2021.

(signatures follow on the following pages)

(rest of sheet intentionally left blank)

1st page of signatures of the Protocol and Justification of Merger of Wilson Sons Limited into Wilson Sons Holdings Brasil S.A, executed on 21 September 2021.

Wilson Sons Holdings Brasil S.A.

Fernando Fleury Salek

Diretor

Michael Robert Connell

Diretor

(signatures continue on next sheet)

2nd page of signatures of the Protocol and Justification of Merger of Wilson Sons Limited into Wilson Sons Holdings Brasil S.A., executed on 21 September 2021.

Wilson Sons Limited

Augusto Cezar Baião
Director

Fernando Fleury Salek
Director



Wilson, Sons

Merger Agreement

Wilson Sons Limited

and

Wilson Sons Holdings Brasil S.A.

Conyers Dill & Pearman Limited

Bermuda

conyers.com

THIS AGREEMENT is dated 21 September 2021

BETWEEN:

- (1) **Wilson Sons Limited**, a Bermuda exempted company having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda ("**WSL**"); and
- (2) **Wilson Sons Holdings Brasil S.A.**, a Brazilian corporation having its registered office at Rua da Quitanda, 86, 5th floor, room 501, in the city of Rio de Janeiro, State of Rio de Janeiro, ZIP CODE 20.091-005, Brazil ("**WS SA**").

WHEREAS:

WSL and **WS SA** have agreed to merge pursuant to the provisions of the Companies Act 1981 of Bermuda and the provisions of Law No. 6,404, of 15 December 1976, as amended, of Brazil and their undertaking, property and liabilities shall vest in **WS SA** as the surviving company of the merger which shall continue as a company incorporated in Brazil on the terms hereinafter appearing (the remaining company to be known in this Agreement as the "**Surviving Company**").

THE PARTIES AGREE as follows:

1. The parties hereby agree that the merger shall occur and a certificate be issued by the Registrar of Companies effective on 22 October 2021 or as soon thereafter as possible (the "**Effective Time**").
2. The Articles of Incorporation of the Surviving Company shall be that of **WS SA** and the Surviving Company shall be called "Wilson Sons Holdings Brasil S.A.".
3. The names and addresses of the persons proposed to be directors of the Surviving Company are as follows:

Augusto Cezar Tavares Baião (Rua Jardim Botânico 518, 4º andar Jardim Botânico, Rio de Janeiro RJ, Brazil, 22461-000)

José Francisco Gouvêa Vieira (Av. Ataulfo de Paiva. 341, 8º andar, Leblon, Rio de Janeiro RJ. Brazil, 22440-032)

William Henry Salomon (50 Curzon Street. London, UK, W1J 7UW)

Claudio Frischtak (Rua Francisco Oliveira. 163 apto 403. Ipanema. Brazil 22080-046)

Mauro Moreira (Avenida Lucio Costa, 4600 Bloco 6, apto 507, Barra de Tijuca, Brazil 22630-0110

Christopher Townsend (Hansa Capital GmbH Churerstrasse 42 8808 Pfäffikon Switzerland)

Fernando Fleury Salek (Rua Jardim Botânico 518, 4º andar Jardim Botânico, Rio de Janeiro RJ, Brazil, 22461-000)

4. At the Effective Time, by virtue of the Merger, and without any further action on the part of the Surviving Company or the holders of any shares or securities thereof:
 - (a) each share of WS SA in issue and held by the Company, immediately prior to the Effective Date, shall be cancelled and extinguished without any payment made with respect thereto; and
 - (b) each share of WSL in issue immediately prior to the Effective Time shall be converted into the right to receive one newly issued and fully paid common share of the Surviving Company.
5. The Articles of Association of the Surviving Company shall be those of WS SA.
6. This agreement shall be governed by and construed in accordance with the laws of Bermuda and the parties hereto submit to the non-exclusive jurisdiction of the courts of Bermuda.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

For and on behalf of

Wilson Sons Limited

By _____

Name _____

Title _____

For and on behalf of

Wilson Sons Holdings Brasil S.A.

By _____

Name _____

Title _____



Wilson, Sons

CONDENSED CONSOLIDATED INTERIM FINANCIAL

30 June 2021

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[YouTube.com/WilsonSonsIR](https://www.youtube.com/WilsonSonsIR)



Condensed Consolidated Interim Financial Information

Wilson Sons Limited

30 June 2021

with Independent Auditor's Review Report on the Condensed
Consolidated Interim Financial Information

Wilson Sons Limited

Condensed consolidated interim financial information

30 June 2021

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Report on review of condensed consolidated interim financial information

To the Board of Directors and Shareholders' of
Wilson Sons Limited
Hamilton, Bermuda

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Wilson Sons Limited (the "Company") for the quarter ended June 30, 2021, comprising the statement of financial position as of June 30, 2021 and the related statements of income and comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes. Management is responsible for preparation of the condensed consolidated interim financial information in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with international standards on review engagements ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34.

Rio de Janeiro, August 10, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6



Diogo Afonso da Silva
Accountant CRC-1RJ114783/O-8

Wilson Sons Limited

Condensed consolidated interim statements of income and comprehensive income

For the three and six-month periods ended 30 June 2021 and 2020

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| | | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|--|-------|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | Notes | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Revenues | 4 | 96,352 | 83,090 | 188,877 | 174,211 | 509,998 | 447,334 | 1,017,067 | 853,723 |
| Raw materials and consumables used | | (5,532) | (3,911) | (11,216) | (9,163) | (29,268) | (21,094) | (60,651) | (44,455) |
| Employee charge and benefits expense | 5 | (27,242) | (25,831) | (52,237) | (56,352) | (144,210) | (139,199) | (280,891) | (275,079) |
| Amortisation of right-of-use | | (3,154) | (2,588) | (5,982) | (5,312) | (16,669) | (13,911) | (32,133) | (26,015) |
| Depreciation and amortisation expenses | | (12,593) | (12,381) | (25,270) | (25,842) | (66,688) | (66,650) | (136,154) | (126,571) |
| Service costs and rentals | 6 | (16,561) | (13,192) | (31,269) | (27,629) | (87,762) | (71,230) | (168,281) | (135,647) |
| Energy, water and communication | | (3,239) | (2,271) | (5,729) | (5,218) | (17,019) | (12,216) | (30,681) | (25,501) |
| Insurance | | (1,311) | (461) | (2,162) | (1,131) | (6,829) | (2,552) | (11,476) | (5,567) |
| Other operating expenses | | (1,420) | (628) | (1,555) | (1,981) | (7,511) | (3,382) | (8,177) | (9,490) |
| Profit on disposal of property, plant and equipment | | 67 | 141 | 2 | 295 | 354 | 743 | 20 | 1,389 |
| Results from operating activities | | 25,367 | 21,968 | 53,459 | 41,878 | 134,396 | 117,843 | 288,643 | 206,787 |
| Share of result of joint ventures | 25.2 | 710 | (1,130) | (750) | (5,212) | 3,986 | (6,020) | (4,138) | (24,860) |
| Finance income | 7 | 878 | 994 | 1,329 | 5,916 | 4,638 | 5,361 | 7,061 | 27,766 |
| Finance costs | 7 | (3,593) | (2,246) | (7,789) | (4,574) | (18,984) | (12,095) | (41,951) | (22,452) |
| Interests on lease liabilities | | (3,711) | (3,349) | (6,790) | (6,839) | (19,601) | (18,120) | (36,442) | (33,664) |
| Exchange gain (loss) on translation | 7 | 7,998 | (3,440) | 2,388 | (16,646) | 42,555 | (18,654) | 11,968 | (78,681) |
| Income before tax | | 27,649 | 12,797 | 41,847 | 14,523 | 146,990 | 68,315 | 225,141 | 74,896 |
| Income tax expense | 8 | (4,864) | (7,067) | (14,424) | (16,572) | (26,044) | (37,660) | (78,451) | (79,132) |
| Profit (loss) for the period | | 22,785 | 5,730 | 27,423 | (2,049) | 120,946 | 30,655 | 146,690 | (4,236) |
| Profit (loss) for the period attributable to: | | | | | | | | | |
| Owners of the Company | | 22,320 | 5,459 | 26,654 | (2,526) | 118,488 | 29,204 | 142,554 | (6,601) |
| Non-controlling interests | | 465 | 271 | 769 | 477 | 2,458 | 1,451 | 4,136 | 2,365 |
| | | 22,785 | 5,730 | 27,423 | (2,049) | 120,946 | 30,655 | 146,690 | (4,236) |
| Other comprehensive income | | | | | | | | | |
| Items that will never affect profit or loss | | | | | | | | | |
| Exchange differences on translation | | 13,767 | (8,748) | 4,773 | (59,471) | (218,682) | 74,023 | (53,154) | 388,612 |
| Items that are or may be reclassified to profit or loss net of tax effects | | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | 63 | 23 | 106 | (156) | 773 | 579 | 572 | (352) |
| Total comprehensive income (loss) for the period | | 36,615 | (2,995) | 32,302 | (61,676) | (96,963) | 105,257 | 94,108 | 384,024 |
| Total comprehensive income for the period attributable to: | | | | | | | | | |
| Owners of the Company | | 36,111 | (3,224) | 31,521 | (61,941) | (99,420) | 103,806 | 89,972 | 381,659 |
| Non-controlling interests | | 504 | 229 | 781 | 265 | 2,457 | 1,451 | 4,136 | 2,365 |
| | | 36,615 | (2,995) | 32,302 | (61,676) | (96,963) | 105,257 | 94,108 | 384,024 |
| Earnings per share from continuing operations | | | | | | | | | |
| Basic (cents per share) | 23 | 30.83c | 7.63c | 36.81c | (3.53c) | 162.65c | 40.82c | 196.89c | (9.23c) |
| Diluted (cents per share) | 23 | 30.08c | 7.38c | 35.92c | (3.42c) | 159.67c | 39.47c | 192.11c | (8.93c) |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Limited

Condensed consolidated interim statements of financial position

For the six-month period ended 30 June 2021 and 2020

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| | Notes | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|--|-------|--------------------|--------------------|-------------------|-------------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Goodwill | 11 | 13,518 | 13,429 | 67,620 | 69,786 |
| Other intangible assets | 12 | 16,190 | 16,967 | 80,986 | 88,172 |
| Right-of-use assets | 13.1 | 192,922 | 149,278 | 965,034 | 775,753 |
| Property, plant and equipment | 14 | 579,229 | 579,138 | 2,897,419 | 3,009,606 |
| Deferred tax assets | 9 | 23,366 | 29,716 | 116,881 | 154,425 |
| Investment in joint ventures | 26.3 | 25,774 | 26,185 | 127,249 | 136,076 |
| Intergroup loans | | 30,634 | 30,460 | 153,237 | 158,289 |
| Recoverable taxes | 16 | 6,170 | 11,006 | 30,862 | 57,195 |
| Escrow deposits | | 4,749 | 4,905 | 23,754 | 25,489 |
| Other trade receivables | 17 | 11,278 | 151 | 58,094 | 784 |
| Total non-current assets | | 903,830 | 861,235 | 4,521,136 | 4,475,575 |
| Current assets | | | | | |
| Inventories | 15 | 12,658 | 11,764 | 63,318 | 61,134 |
| Operational trade receivables | 17 | 49,583 | 38,767 | 248,026 | 201,461 |
| Other trade receivables | 17 | 8,298 | 6,802 | 41,507 | 35,349 |
| Recoverable taxes | 16 | 27,036 | 22,479 | 135,239 | 116,815 |
| Short-term investments | 18 | - | 39,590 | - | 205,735 |
| Cash and cash equivalents | 18 | 53,484 | 58,737 | 267,538 | 305,241 |
| Total current assets | | 151,059 | 178,139 | 755,628 | 925,735 |
| Total assets | | 1,054,889 | 1,039,374 | 5,276,764 | 5,401,310 |
| Equity and liabilities | | | | | |
| Share capital | 24 | 10,102 | 9,971 | 27,781 | 27,099 |
| Capital reserves | | 100,656 | 93,932 | 242,570 | 207,681 |
| Profit reserve and derivatives | | 1,959 | 1,828 | 3,259 | 2,976 |
| Share options | | 14,113 | 14,000 | 34,898 | 34,443 |
| Retained earnings | | 462,649 | 474,933 | 989,745 | 1,058,633 |
| Translation reserve | | (159,963) | (164,724) | 850,278 | 903,432 |
| Equity attributable to owners of the Company | | 429,516 | 429,940 | 2,148,531 | 2,234,264 |
| Non-controlling interests | | 226 | 330 | 1,130 | 1,715 |
| Total equity | | 429,742 | 430,270 | 2,149,661 | 2,235,979 |
| Non-current liabilities | | | | | |
| Bank loans | 19 | 269,387 | 283,989 | 1,347,528 | 1,475,806 |
| Deferred tax liabilities | 9 | 43,761 | 50,987 | 218,901 | 264,964 |
| Post-employment benefits | 23.2 | 1,739 | 1,641 | 8,696 | 8,526 |
| Provisions for tax, labour and civil risks | 20 | 9,508 | 9,560 | 47,565 | 49,680 |
| Lease liabilities | 13.2 | 181,150 | 139,702 | 906,149 | 725,989 |
| Total non-current liabilities | | 505,545 | 485,879 | 2,528,839 | 2,524,965 |
| Current liabilities | | | | | |
| Bank loans | 19 | 44,514 | 58,672 | 222,668 | 304,901 |
| Salaries, provisions and social contribution | | 15,627 | 16,516 | 78,164 | 85,829 |
| Operational trade payables | 21 | 19,787 | 16,830 | 98,979 | 87,460 |
| Taxes payable | 22 | 6,788 | 6,232 | 33,953 | 32,386 |
| Other trade payables | 21 | 8,283 | 6,669 | 41,432 | 34,658 |
| Current tax liabilities | | 878 | 114 | 4,391 | 594 |
| Lease liabilities | 13.2 | 23,725 | 18,192 | 118,677 | 94,538 |
| Total current liabilities | | 119,602 | 123,225 | 598,264 | 640,366 |
| Total liabilities | | 625,147 | 609,104 | 3,127,103 | 3,165,331 |
| Total equity and liabilities | | 1,054,889 | 1,039,374 | 5,276,764 | 5,401,310 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Limited

Condensed consolidated interim statements of changes in equity

For the six-month period ended 30 June 2021 and 2020

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| Notes | Share capital | Capital reserves | | | Derivatives | Profit reserve | Share options | Retained earnings | Translation reserve | Attributable to owners of the Company | Non-controlling interests | Total |
|--|---------------|------------------|--------|----------------------------|-------------|----------------|---------------|-------------------|---------------------|---------------------------------------|---------------------------|----------|
| | | Share premium | Others | Additional paid-in capital | | | | | | | | |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Balances at 1 January 2020 | 9,918 | 69,007 | 28,780 | (7,138) | (132) | 1,984 | 13,794 | 493,764 | (113,093) | 496,884 | 616 | 497,500 |
| Net income (loss) for the period | - | - | - | - | - | - | - | (2,526) | - | (2,526) | 477 | (2,049) |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | - | (156) | - | - | - | - | (156) | - | (156) |
| Other comprehensive income | - | - | - | - | - | - | - | - | (59,259) | (59,259) | (212) | (59,471) |
| Total comprehensive income (expense) for the period | - | - | - | - | (156) | - | - | (2,526) | (59,259) | (61,941) | 265 | (61,676) |
| Share options | 23.1 | - | - | - | - | - | 105 | - | - | 105 | - | 105 |
| Capital increase | 24 | 33 | 2,271 | - | - | - | - | - | - | 2,304 | - | 2,304 |
| Dividends | - | - | - | - | - | 23,615 | - | (38,667) | - | (15,052) | (69) | (15,121) |
| Balances at 30 June 2020 | 23 | 9,951 | 71,278 | 28,780 | (7,138) | 25,599 | 13,899 | 452,571 | (172,352) | 422,300 | 812 | 423,112 |
| Balances at 1 January 2021 | - | 9,971 | 72,290 | 28,780 | (7,138) | 1,995 | 14,000 | 474,933 | (164,724) | 429,940 | 330 | 430,270 |
| Net income for the period | - | - | - | - | - | - | - | 26,654 | - | 26,654 | 769 | 27,423 |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | - | 106 | - | - | - | - | 106 | - | 106 |
| Other comprehensive income | - | - | - | - | - | - | - | - | 4,761 | 4,761 | 12 | 4,773 |
| Total comprehensive income for the period | - | - | - | - | 106 | - | - | 26,654 | 4,761 | 31,521 | 781 | 32,302 |
| Share options | 23.1 | - | - | - | - | - | 113 | - | - | 113 | - | 113 |
| Capital increase | 24 | 131 | 6,724 | - | - | 25 | - | (25) | - | 6,855 | 30 | 6,885 |
| Dividends | - | - | - | - | - | - | - | (38,913) | - | (38,913) | (915) | (39,828) |
| Balances at 30 June 2021 | 23 | 10,102 | 79,014 | 28,780 | (7,138) | 2,020 | 14,113 | 462,649 | (159,963) | 429,516 | 226 | 429,742 |

(Continues)

Wilson Sons Limited

Condensed consolidated interim statements of changes in equity

For the six-month period ended 30 June 2021 and 2020

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| Notes | Share capital | Capital reserves | | | Derivatives | Profit reserve | Share Options | Retained earnings | Translation Reserve | Attributable to owners of the Company | Non-controlling interests | Total |
|--|---------------|------------------|---------|----------------------------|-------------|----------------|---------------|-------------------|---------------------|---------------------------------------|---------------------------|-----------|
| | | Share premium | Others | Additional paid-in capital | | | | | | | | |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Balances at 1 January 2020 | 26,860 | 140,037 | 77,615 | (24,597) | (742) | 3,350 | 33,040 | 1,156,140 | 591,100 | 2,002,803 | 2,479 | 2,005,282 |
| Net income (loss) for the period | - | - | - | - | - | - | - | (6,601) | - | (6,601) | 2,365 | (4,236) |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | - | (352) | - | - | - | - | (352) | - | (352) |
| Other comprehensive income | - | - | - | - | - | - | - | - | 388,612 | 388,612 | - | 388,612 |
| Total comprehensive income (expense) for the period | - | - | - | - | (352) | - | - | (6,601) | 388,612 | 381,659 | 2,365 | 384,024 |
| Share options | 23.1 | - | - | - | - | - | 250 | - | - | 250 | - | 250 |
| Capital increase | 24 | 133 | 9,236 | - | - | - | - | - | - | 9,369 | - | 9,369 |
| Dividends | | - | - | - | - | 127,970 | - | (209,537) | - | (81,567) | (400) | (81,967) |
| Balances at 30 June 2020 | 23 | 26,993 | 149,273 | 77,615 | (24,597) | (1,094) | 131,320 | 940,002 | 979,712 | 2,312,514 | 4,444 | 2,316,958 |
| Balances at 1 January 2021 | | 27,099 | 154,663 | 77,615 | (24,597) | (429) | 3,405 | 1,058,633 | 903,432 | 2,234,264 | 1,715 | 2,235,979 |
| Net income for the period | | - | - | - | - | - | - | 142,554 | - | 142,554 | 4,136 | 146,690 |
| Effective portion of changes in fair value of cash flow hedges | | - | - | - | - | 147 | - | 425 | - | 572 | - | 572 |
| Other comprehensive income | | - | - | - | - | - | - | - | (53,154) | (53,154) | - | (53,154) |
| Total comprehensive income (loss) for the period | | - | - | - | - | 147 | - | 142,979 | (53,154) | 89,972 | 4,136 | 94,108 |
| Share options | 23.1 | - | - | - | - | - | 455 | - | - | 455 | - | 455 |
| Capital increase | 24 | 682 | 34,889 | - | - | 136 | - | (136) | - | 35,571 | 154 | 35,725 |
| Dividends | | - | - | - | - | - | - | (211,731) | - | (211,731) | (4,875) | (216,606) |
| Balances at 30 June 2021 | 23 | 27,781 | 189,552 | 77,615 | (24,597) | (282) | 3,541 | 989,745 | 850,278 | 2,148,531 | 1,130 | 2,149,661 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Limited

Condensed consolidated interim statements of cash flows

For the six-month period ended 30 June 2021 and 2020

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| | Note | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
|---|------|--------------------|--------------------|-------------------|-------------------|
| Net cash generated by operating activities | 29 | 48,423 | 78,258 | 261,095 | 383,212 |
| Cash flow from investing activities | | | | | |
| Interest received | | 861 | 945 | 4,636 | 4,623 |
| Proceeds on disposal of property, plant and equipment | | 49 | 156 | 306 | 724 |
| Proceeds on disposal Intangible Assets | | 4 | - | 1 | - |
| Purchases of property, plant and equipment | | (16,585) | (40,968) | (88,804) | (207,369) |
| Other intangible assets | | (405) | (502) | (2,184) | (2,383) |
| Short-term investment | | 39,590 | 14,077 | 213,240 | 69,284 |
| Share of other companies | | (1,150) | - | (6,194) | - |
| Advances for futures capital increases - Joint ventures | | (9,985) | - | (51,623) | - |
| Net cash generated by (used in) investing activities | | 12,379 | (26,292) | 69,378 | (135,121) |
| Cash flow from financing activities | | | | | |
| Capital increase by issuance of new shares under employee share option plan | | 6,855 | 2,304 | 35,571 | 9,369 |
| Capital increase - non controlling interest | | 30 | - | 154 | - |
| Dividends paid | | (38,913) | (15,052) | (211,731) | (81,567) |
| Dividends paid - non controlling interest | | (915) | (69) | (4,875) | (400) |
| Repayments of borrowings | | (35,997) | (14,993) | (198,896) | (68,943) |
| Repayments of leases obligations | | (4,376) | (3,237) | (23,531) | (16,114) |
| New borrowings obtained | | 2,916 | 39,292 | 15,651 | 207,107 |
| Net cash generated by (used in) financing activities | | (70,400) | 8,245 | (387,657) | 49,452 |
| Net increase (decrease) in cash and cash equivalents | | (9,598) | 60,211 | (57,184) | 297,543 |
| Cash and cash equivalents at the beginning of the period | | 58,737 | 63,647 | 305,241 | 256,542 |
| Effect of foreign exchange rate changes | | 4,345 | (26,516) | 19,481 | (21,040) |
| Cash and cash equivalents at the end of the period | | 53,484 | 97,342 | 267,538 | 533,045 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Limited

Notes to the condensed consolidated interim financial statements

At 30 June 2021

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

1. General information

Wilson Sons Limited (the "Group" or "Company") is a limited company incorporated in Bermuda under the Companies Act 1981. The address of the registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The Group is one of the largest providers of integrated port and maritime logistics and supply chain solutions in Brazil. With a business track record of over 180 years, the Company has developed an extensive national network and provides a comprehensive set of services related to domestic and international trade, as well as to the oil and gas industry. The Company's principal activities are divided into the following segments: towage and shipping agency, container terminals and offshore support bases, offshore support vessels, logistics and shipyards.

2. Significant accounting policies and critical accounting judgements

Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board - IASB.

All relevant information specific to the financial statements, and only such information, is being evidenced and corresponds to that used by the Company's management.

Basis of preparation

The condensed consolidated interim financial information is presented in US Dollars, which is the Company's functional currency, because that is the currency of the primary economic environment in which the Group operates. Entities with a functional currency other than US Dollars are included in accordance with the accounting policies described below. All financial statements presented in dollar have been rounded to the nearest thousands except when otherwise indicated.

These interim financial statements are presented in accordance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial information has been prepared on the historical cost basis except for derivatives that are measured at fair values, as explained in the accounting policies.

The accounting policies and most significant judgments adopted by the Group's management were not modified in relation to those presented in the consolidated financial statements for the year ended 31 December 2020 approved on 12 March 2021.

As allowed by IAS 21 - The Effects of Changes in Foreign Exchange Rates, the Company also presents condensed consolidated interim financial information considering the Brazilian Real (R\$) as presentation currency. The following procedures have been applied:

- Assets and liabilities for each statement of financial position presented have been translated at the closing, exchange rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or separate income statement presented have been translated at average rate for the period; and
- All resulting exchange differences have been recognised as foreign currency translation in other comprehensive income.

Wilson Sons Limited

Notes to the condensed consolidated interim financial statements

At 30 June 2021

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, significant judgments were made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Segment information

Reportable segments

For management purposes, the Group is currently organised into five reportable segments: towage and agency services, port terminals, offshore support bases, offshore vessels, logistics and shipyards. These divisions are reported for the purposes of resource allocation and assessment of segment performance.

Finance costs relating to liabilities were allocated to reporting segments based on the loans taken to finance the acquisition or the construction of fixed assets in that segment. Finance income arising from bank balances held by Brazilian operating segments, including foreign exchange differences on such balances, were also allocated to the reporting segments.

Administrative and financial expenses are presented as non-segmented activities.

Segment information relating to these businesses is presented below:

Wilson Sons Limited

Notes to the condensed consolidated interim financial statements

At 30 June 2021

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| 30 June 2021 (Three-month period ended) | | | | | | | | | |
| Revenue | 50,117 | 35,601 | 1,711 | - | 8,204 | 4,612 | - | (3,893) | 96,352 |
| Operating profit (loss) | 16,662 | 14,657 | (792) | - | 1,019 | (686) | (5,921) | 428 | 25,367 |
| Finance income (expense), net | (107) | 73 | 1 | - | 160 | 2 | 713 | 36 | 878 |
| Interest on lease liabilities | (92) | (2,977) | (119) | - | (468) | (32) | (23) | - | (3,711) |
| Finance costs | (1,403) | (1,715) | (210) | - | - | (147) | (103) | (15) | (3,593) |
| Operating profit (loss) adjusted by finance income and cost | 15,060 | 10,038 | (1,120) | - | 711 | (863) | (5,334) | 449 | 18,941 |
| Share of result of joint ventures | - | - | - | 716 | (6) | - | - | - | 710 |
| Exchange gain on translation | - | - | - | - | - | - | - | - | 7,998 |
| Income before tax | - | - | - | - | - | - | - | - | 27,649 |
| Other information: | | | | | | | | | |
| Capital expenditures | (7,947) | (1,695) | (463) | - | (33) | (190) | (37) | - | (10,365) |
| Amortisation of right-of-use assets | (658) | (1,594) | (105) | - | (610) | (12) | (175) | - | (3,154) |
| Depreciation and amortisation | (7,127) | (4,072) | (524) | - | (163) | (1,009) | (307) | 609 | (12,593) |
| | | | | | | | | | |
| | 2020 | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| 30 June 2020 (Three-month period ended) | | | | | | | | | |
| Revenue | 43,370 | 30,290 | 2,211 | - | 6,684 | 1,275 | - | (740) | 83,090 |
| Operating profit (loss) | 15,073 | 10,624 | (590) | - | 622 | (1,464) | (3,683) | 1,386 | 21,968 |
| Finance income (expense), net | 445 | (468) | 4 | - | 54 | (30) | 975 | 14 | 994 |
| Interest on lease liabilities | (80) | (2,535) | (138) | - | (536) | (30) | (30) | - | (3,349) |
| Finance costs | (1,421) | (271) | (44) | - | (3) | (163) | (355) | 11 | (2,246) |
| Operating profit (loss) adjusted by finance income and cost | 14,017 | 7,350 | (768) | - | 137 | (1,687) | (3,093) | 1,411 | 17,367 |
| Share of result of joint ventures | - | - | - | (1,127) | (3) | - | - | - | (1,130) |
| Exchange loss on translation | - | - | - | - | - | - | - | - | (3,440) |
| Income before tax | - | - | - | - | - | - | - | - | 12,797 |
| Other information: | | | | | | | | | |
| Capital expenditures | (2,346) | (24,466) | (63) | - | (8) | (46) | (166) | - | (27,095) |
| Amortisation of right-of-use | (362) | (1,308) | (118) | - | (582) | (12) | (206) | - | (2,588) |
| Depreciation and amortisation | (7,873) | (3,098) | (523) | - | (193) | (941) | (303) | 550 | (12,381) |

Wilson Sons Limited

Notes to the condensed consolidated interim financial statements

At 30 June 2021

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| 30 June 2021 (Six-month period ended) | | | | | | | | | |
| Revenue | 97,179 | 69,331 | 3,183 | - | 16,012 | 9,836 | - | (6,664) | 188,877 |
| Operating profit (loss) | 33,224 | 29,992 | (1,617) | - | 2,120 | (1,564) | (9,682) | 986 | 53,459 |
| Finance income | 142 | 61 | 5 | - | 213 | 3 | 869 | 36 | 1,329 |
| Interest on lease liabilities | (195) | (5,320) | (236) | - | (931) | (62) | (46) | - | (6,790) |
| Finance costs | (2,814) | (3,874) | (453) | - | (2) | (298) | (348) | - | (7,789) |
| Operating profit (loss) adjusted by finance income and cost | 30,357 | 20,859 | (2,301) | - | 1,400 | (1,921) | (9,207) | 1,022 | 40,209 |
| Share of result of joint ventures | - | - | - | (738) | (12) | - | - | - | (750) |
| Exchange gain on translation | - | - | - | - | - | - | - | - | 2,388 |
| Income before tax | - | - | - | - | - | - | - | - | 41,847 |
| Other information: | | | | | | | | | |
| Capital expenditures | (11,483) | (4,458) | (696) | - | (45) | (251) | (57) | - | (16,990) |
| Amortisation of right-of-use | (1,326) | (2,873) | (210) | - | (1,201) | (23) | (349) | - | (5,982) |
| Depreciation and amortisation | (14,455) | (7,984) | (1,041) | - | (322) | (1,981) | (619) | 1,132 | (25,270) |
| 2020 | | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| 30 June 2020 (Six-month period ended) | | | | | | | | | |
| Revenue | 86,312 | 67,396 | 4,535 | - | 14,768 | 2,708 | - | (1,508) | 174,211 |
| Operating profit (loss) | 26,665 | 25,196 | (1,676) | - | 702 | (3,029) | (8,139) | 2,159 | 41,878 |
| Finance income | 494 | (418) | 8 | - | 257 | (15) | 5,565 | 25 | 5,916 |
| Interest on lease liabilities | (125) | (5,178) | (289) | - | (1,117) | (62) | (68) | - | (6,839) |
| Finance costs | (2,889) | (704) | (291) | - | (22) | (309) | (359) | - | (4,574) |
| Operating profit (loss) adjusted by finance income and cost | 24,145 | 18,896 | (2,248) | - | (180) | (3,415) | (3,001) | 2,184 | 36,381 |
| Share of result of joint ventures | - | - | - | (5,202) | (10) | - | - | - | (5,212) |
| Exchange loss on translation | - | - | - | - | - | - | - | - | (16,646) |
| Income before tax | - | - | - | - | - | - | - | - | 14,523 |
| Other information: | | | | | | | | | |
| Capital expenditures | (4,733) | (37,320) | (128) | - | (54) | (91) | (847) | - | (43,173) |
| Amortisation of right-of-use | (495) | (2,857) | (259) | - | (1,296) | (24) | (381) | - | (5,312) |
| Depreciation and amortisation | (15,770) | (6,874) | (1,143) | - | (426) | (2,001) | (619) | 991 | (25,842) |

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| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2021 (Three-month period ended) | | | | | | | | | |
| Revenue | 265,207 | 188,533 | 9,040 | - | 43,355 | 24,203 | - | (20,340) | 509,998 |
| Operating profit (loss) | 88,288 | 77,720 | (4,188) | - | 5,355 | (3,677) | (31,366) | 2,264 | 134,396 |
| Finance income (expense) | (170) | 362 | 1 | - | 853 | 209 | 3,383 | - | 4,638 |
| Interest on lease liabilities | (492) | (15,721) | (632) | - | (2,473) | (165) | (118) | - | (19,601) |
| Finance costs | (7,425) | (9,016) | (1,116) | - | 2 | (788) | (560) | (81) | (18,984) |
| Operating profit (loss) adjusted by finance income and cost | 80,201 | 53,345 | (5,935) | - | 3,737 | (4,421) | (28,661) | 2,183 | 100,449 |
| Share of result of joint ventures | - | - | - | 4,021 | (35) | - | - | - | 3,986 |
| Exchange gain on translation | - | - | - | - | - | - | - | - | 42,555 |
| Income before tax | - | - | - | - | - | - | - | - | 146,990 |
| Other information: | | | | | | | | | |
| Capital expenditures | (41,788) | (8,871) | (2,380) | - | (170) | (979) | (188) | - | (54,376) |
| Amortisation of right-of-use assets | (3,488) | (8,414) | (555) | - | (3,227) | (61) | (924) | - | (16,669) |
| Depreciation and amortisation | (37,759) | (21,532) | (2,770) | - | (863) | (5,345) | (1,632) | 3,213 | (66,688) |
| 2020 | | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2020 (Three-month period ended) | | | | | | | | | |
| Revenue | 233,462 | 163,141 | 11,880 | - | 35,953 | 6,773 | - | (3,875) | 447,334 |
| Operating profit (loss) | 80,994 | 56,949 | (3,188) | - | 3,325 | (7,912) | (19,827) | 7,502 | 117,843 |
| Finance income (expense) | 2,394 | (2,175) | 8 | - | 314 | (84) | 4,904 | - | 5,361 |
| Interest on lease liabilities | (433) | (13,717) | (746) | - | (2,897) | (161) | (166) | - | (18,120) |
| Finance costs | (7,660) | (1,461) | (240) | - | (17) | (935) | (1,903) | 121 | (12,095) |
| Operating profit (loss) adjusted by finance income and cost | 75,295 | 39,596 | (4,166) | - | 725 | (9,092) | (16,992) | 7,623 | 92,989 |
| Share of result of joint ventures | - | - | - | (6,000) | (20) | - | - | - | (6,020) |
| Exchange loss on translation | - | - | - | - | - | - | - | - | (18,654) |
| Income before tax | - | - | - | - | - | - | - | - | 68,315 |
| Other information: | | | | | | | | | |
| Capital expenditures | (12,586) | (132,000) | (351) | - | (95) | (297) | (894) | - | (146,223) |
| Amortisation of right-of-use | (1,939) | (7,042) | (635) | - | (3,130) | (66) | (1,099) | - | (13,911) |
| Depreciation and amortisation | (42,393) | (16,673) | (2,812) | - | (1,046) | (5,057) | (1,631) | 2,962 | (66,650) |

Wilson Sons Limited

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| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2021 (Six-month period ended) | | | | | | | | | |
| Revenue | 523,088 | 373,306 | 17,101 | - | 86,094 | 53,070 | - | (35,592) | 1,017,067 |
| Operating profit (loss) | 179,249 | 161,794 | (8,688) | - | 11,411 | (8,494) | (51,945) | 5,316 | 288,643 |
| Finance income | 704 | 297 | 26 | - | 1,145 | 206 | 4,683 | - | 7,061 |
| Interest on lease liabilities | (1,053) | (28,538) | (1,269) | - | (5,006) | (331) | (245) | - | (36,442) |
| Finance costs | (15,149) | (20,840) | (2,439) | - | (8) | (1,613) | (1,902) | - | (41,951) |
| Operating profit (loss) adjusted by finance income and cost | 163,751 | 112,713 | (12,370) | - | 7,542 | (10,232) | (49,409) | 5,316 | 217,311 |
| Share of result of joint ventures | - | - | - | (4,071) | (67) | - | - | - | (4,138) |
| Exchange gain on translation | - | - | - | - | - | - | - | - | 11,968 |
| Income before tax | - | - | - | - | - | - | - | - | 225,141 |
| Other information: | | | | | | | | | |
| Capital expenditures | (61,559) | (23,924) | (3,645) | - | (240) | (1,322) | (298) | - | (90,988) |
| Amortisation of right-of-use | (7,141) | (15,408) | (1,122) | - | (6,460) | (124) | (1,878) | - | (32,133) |
| Depreciation and amortisation | (77,869) | (43,017) | (5,610) | - | (1,733) | (10,665) | (3,335) | 6,075 | (136,154) |
| | | | | | | | | | |
| | 2020 | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2020 (Six-month period ended) | | | | | | | | | |
| Revenue | 425,369 | 328,481 | 22,210 | - | 71,814 | 13,146 | - | (7,297) | 853,723 |
| Operating profit (loss) | 133,289 | 121,991 | (7,994) | - | 3,559 | (15,477) | (40,050) | 11,469 | 206,787 |
| Finance income (expense) | 2,607 | (2,182) | 46 | - | 1,208 | (82) | 26,048 | 121 | 27,766 |
| Interest on lease liabilities | (632) | (25,496) | (1,419) | - | (5,481) | (303) | (333) | - | (33,664) |
| Finance costs | (14,209) | (3,377) | (1,313) | - | (108) | (1,517) | (1,928) | - | (22,452) |
| Operating profit (loss) adjusted by finance income and cost | 121,055 | 90,936 | (10,680) | - | (822) | (17,379) | (16,263) | 11,590 | 178,437 |
| Share of result of joint ventures | - | - | - | (24,811) | (49) | - | - | - | (24,860) |
| Exchange loss on translation | - | - | - | - | - | - | - | - | (78,681) |
| Income before tax | - | - | - | - | - | - | - | - | 74,896 |
| Other information: | | | | | | | | | |
| Capital expenditures | (23,121) | (189,668) | (637) | - | (236) | (462) | (3,794) | - | (217,918) |
| Amortisation of right-of-use | (2,537) | (13,922) | (1,262) | - | (6,296) | (120) | (1,878) | - | (26,015) |
| Depreciation and amortisation | (77,572) | (33,452) | (5,562) | - | (2,080) | (9,780) | (3,044) | 4,919 | (126,571) |

Geographical information

The Group's operations are mainly located in Brazil where it earns income and incurs expenses. The Group earns income on cash and cash equivalents and short-term investments in Bermuda and in Brazil. The Group, through its participation in an Offshore Vessel Joint Venture in Panama, earns income in that country and in Uruguay.

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4. Revenues

The following is an analysis of the Group's revenues from continuing operations for the period (excluding investment income - Note 7).

4.1. Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|--------------------------------------|-----------------------------|--------------------|---------------------------|--------------------|-----------------------------|-------------------|---------------------------|-------------------|
| | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
| Towage and agency services | | | | | | | | |
| Harbour Manoeuvres | 43,926 | 38,038 | 83,776 | 73,873 | 232,528 | 204,671 | 451,055 | 364,285 |
| Special Operations | 4,021 | 3,431 | 9,156 | 8,433 | 21,188 | 18,562 | 49,155 | 41,444 |
| Ship Agency | 2,170 | 1,901 | 4,247 | 4,006 | 11,491 | 10,229 | 22,878 | 19,640 |
| Total | 50,117 | 43,370 | 97,179 | 86,312 | 265,207 | 233,462 | 523,088 | 425,369 |
| Container Terminals | | | | | | | | |
| Container Handling | 18,842 | 15,887 | 36,453 | 35,636 | 99,799 | 85,578 | 196,241 | 173,661 |
| Warehousing | 8,156 | 6,835 | 16,426 | 15,429 | 43,170 | 36,809 | 88,511 | 75,044 |
| Ancillary services | 5,445 | 4,348 | 10,622 | 8,960 | 28,846 | 23,443 | 57,184 | 43,960 |
| Other services | 3,158 | 3,220 | 5,830 | 7,371 | 16,718 | 17,311 | 31,370 | 35,816 |
| Total | 35,601 | 30,290 | 69,331 | 67,396 | 188,533 | 163,141 | 373,306 | 328,481 |
| Offshore support bases | | | | | | | | |
| O&G Support Base | 1,711 | 2,211 | 3,183 | 4,535 | 9,040 | 11,880 | 17,101 | 22,210 |
| Total | 1,711 | 2,211 | 3,183 | 4,535 | 9,040 | 11,880 | 17,101 | 22,210 |
| Logistics | | | | | | | | |
| Logistics | 8,204 | 6,684 | 16,012 | 14,768 | 43,355 | 35,953 | 86,094 | 71,814 |
| Total | 8,204 | 6,684 | 16,012 | 14,768 | 43,355 | 35,953 | 86,094 | 71,814 |
| Shipyard | | | | | | | | |
| Technical assistance / dry-docking | 719 | 535 | 3,172 | 1,200 | 3,863 | 2,898 | 17,478 | 5,849 |
| Total | 719 | 535 | 3,172 | 1,200 | 3,863 | 2,898 | 17,478 | 5,849 |
| Total | 96,352 | 83,090 | 188,877 | 174,211 | 509,998 | 447,334 | 1,017,067 | 853,723 |
| | | | | | | | | |
| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
| | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
| Timing of revenue recognition | | | | | | | | |
| At a point in time | 95,633 | 82,555 | 185,705 | 173,011 | 506,135 | 444,436 | 999,589 | 847,874 |
| Over time | 719 | 535 | 3,172 | 1,200 | 3,863 | 2,898 | 17,478 | 5,849 |
| Total | 96,352 | 83,090 | 188,877 | 174,211 | 509,998 | 447,334 | 1,017,067 | 853,723 |

4.2. Contract balance

Trade receivables are generally received within 30 days. The carrying amount of operational trade receivables at the end of reporting period was US\$49.6 million (R\$248.0 million) (2020: US\$38.8 million (R\$201.5 million)). These amounts include US\$12.7 million (R\$63.6 million) (2020: US\$10.4 million (R\$54.0 million)) of contract assets (unbilled accounts receivables). Details are disclosed in Note 17.

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There are no other contract assets and liabilities recognised for the period presented.

4.3. Performance obligations

Information about the Group's performance obligation is summarised below:

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

The majority of the Group's performance obligations are satisfied at a point in time upon delivery of the service and payment is generally due within 30 days upon completion of services.

The performance obligation of ship construction contracts is satisfied over time and the revenue related to services and construction contracts is recognised when the work in proportion to the stage of completion of transactions contracted has been performed. On 30 June 2021 there are no warranties or refunds obligations applied to ship construction contracts.

There are no significant judgements on both scenarios of performance obligations.

5. Employee charge and benefits expenses

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|--------------------------|--------------------------|------------|------------------------|------------|--------------------------|------------|------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Salaries and benefits | (22,110) | (20,963) | (42,258) | (44,744) | (116,946) | (112,947) | (227,128) | (218,912) |
| Payroll taxes | (4,875) | (4,697) | (9,523) | (11,225) | (25,918) | (25,324) | (51,329) | (54,277) |
| Pension costs | (187) | (118) | (368) | (278) | (990) | (646) | (1,979) | (1,375) |
| Long-term incentive plan | (70) | (53) | (88) | (105) | (356) | (282) | (455) | (515) |
| Total | (27,242) | (25,831) | (52,237) | (56,352) | (144,210) | (139,199) | (280,891) | (275,079) |

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6. Service costs and rentals

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|---|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Tug rents ⁽¹⁾ | (6,917) | (4,775) | (13,128) | (8,725) | (36,634) | (25,698) | (70,562) | (43,290) |
| Service costs | (4,848) | (4,572) | (8,951) | (10,416) | (25,706) | (24,851) | (48,208) | (51,030) |
| Freight | (2,145) | (1,567) | (4,067) | (3,566) | (11,376) | (8,442) | (21,925) | (17,359) |
| Port expenses | (1,690) | (1,415) | (3,498) | (3,158) | (8,911) | (7,598) | (18,818) | (15,302) |
| Vessel rents ⁽³⁾ | (508) | (324) | (739) | (711) | (2,679) | (1,750) | (3,937) | (3,474) |
| Container minimum contractual movement ⁽²⁾ | (268) | (163) | (378) | (257) | (1,481) | (891) | (2,075) | (1,321) |
| Equipment rents ⁽¹⁾ | (68) | (269) | (323) | (596) | (366) | (1,430) | (1,767) | (2,874) |
| Building rents ⁽¹⁾ | (35) | (55) | (47) | (95) | (185) | (295) | (259) | (482) |
| Terminal rents ⁽¹⁾ | (17) | (28) | (37) | (57) | (86) | (150) | (197) | (281) |
| Vehicle rents ⁽¹⁾ | (65) | (24) | (101) | (48) | (338) | (125) | (533) | (234) |
| Total | (16,561) | (13,192) | (31,269) | (27,629) | (87,762) | (71,230) | (168,281) | (135,647) |

As of 1 January 2019, due to the application of IFRS 16, the amounts of rental expenses are related to:

(1) Expenses relating to short-term leases and low-value assets.

(2) Expenses relating to container movements, which exceeds the minimum contractual movements.

(3) Expenses relating to the quantity of vessel trips with variable elements.

7. Finance income and finance costs

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|-------------------------------------|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Interest on investments | 359 | 308 | 705 | 441 | 1,894 | 1,654 | 3,800 | 2,196 |
| Exchange gain on investments | 7 | 687 | 28 | 4,993 | 44 | 3,648 | 149 | 23,368 |
| Other interest income | 512 | (1) | 596 | 482 | 2,700 | 59 | 3,112 | 2,202 |
| Total finance income | 878 | 994 | 1,329 | 5,916 | 4,638 | 5,361 | 7,061 | 27,766 |
| Interest on bank loans | (3,670) | (2,242) | (7,755) | (4,552) | (19,445) | (12,078) | (41,774) | (22,344) |
| Other interest | 77 | (4) | (34) | (22) | 461 | (17) | (177) | (108) |
| Total finance costs | (3,593) | (2,246) | (7,789) | (4,574) | (18,984) | (12,095) | (41,951) | (22,452) |
| Interest on lease liabilities | (3,711) | (3,349) | (6,790) | (6,839) | (19,601) | (18,120) | (36,442) | (33,664) |
| Exchange gain (loss) on translation | 7,998 | (3,440) | 2,388 | (16,646) | 42,555 | (18,654) | 11,968 | (78,681) |

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8. Income tax expense

Income tax recognised in profit or loss:

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|-----------------------------|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Current | | | | | | | | |
| Brazilian taxation | | | | | | | | |
| Income tax | (4,362) | (6,207) | (10,549) | (10,989) | (23,019) | (34,383) | (56,985) | (55,147) |
| Social contribution | (1,774) | (2,136) | (4,035) | (4,056) | (9,424) | (10,199) | (21,835) | (20,295) |
| Total Brazilian current tax | (6,136) | (8,343) | (14,584) | (15,045) | (32,443) | (44,582) | (78,820) | (75,442) |
| Deferred tax | | | | | | | | |
| Total deferred tax | 1,272 | 1,276 | 160 | (1,527) | 6,399 | 6,922 | 369 | (3,690) |
| Total income tax expense | (4,864) | (7,067) | (14,424) | (16,572) | (26,044) | (37,660) | (78,451) | (79,132) |

Brazilian income tax is calculated at 25% of the taxable profit for the period. Brazilian social contribution taxes are calculated at 9% of the taxable profit for the period.

The income tax expense for the period can be reconciled to the accounting profit as follows:

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|--|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Profit before tax | 27,649 | 12,797 | 41,847 | 14,523 | 146,990 | 68,315 | 225,141 | 74,896 |
| Tax at the standard Brazilian tax rate (34%) | (9,400) | (4,351) | (14,228) | (4,938) | (49,977) | (23,227) | (76,548) | (25,465) |
| Exchange variance on loans | (10,019) | 2,632 | (3,670) | 19,566 | (53,072) | 13,960 | (18,433) | 93,643 |
| Tax effect of share of results of joint ventures | 241 | (385) | (255) | (1,773) | 1,355 | (2,047) | (1,407) | (8,452) |
| Tax effect of foreign exchange gain or loss on monetary items | 2,719 | (1,170) | 812 | (5,660) | 14,469 | (6,342) | 4,069 | (26,752) |
| Effect of different tax rates in other jurisdictions | (93) | (112) | (147) | (152) | (489) | (597) | (786) | (775) |
| Retranslation of non-current asset valuation | 12,692 | (1,943) | 6,601 | (21,181) | 67,294 | (10,108) | 34,147 | (98,336) |
| Share option scheme | (24) | (18) | (30) | (36) | (121) | (96) | (155) | (175) |
| Non-deductible expenses | (837) | (897) | (1,076) | (1,010) | (4,631) | (4,894) | (5,919) | (5,404) |
| Net operating losses of the period | (104) | (729) | (151) | (1,565) | (554) | (3,909) | (781) | (6,322) |
| Leasing | 18 | 20 | 99 | 66 | 93 | 111 | 530 | 309 |
| Impact of the result converted by the historical rate versus the average rate (conversion from dollar to real) | (1,527) | 1,193 | (3,190) | - | (8,090) | 5,368 | (17,200) | - |
| Prior year adjustments | - | (6) | - | (134) | - | (605) | - | (605) |
| Government Grant - Adene | (30) | (1,009) | - | - | - | (4,858) | 165 | - |
| Others | 1,500 | (292) | 811 | 245 | 7,679 | (416) | 3,867 | (798) |
| Income tax expense | (4,864) | (7,067) | (14,424) | (16,572) | (26,044) | (37,660) | (78,451) | (79,132) |

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9. Deferred taxes

The following deferred tax assets and liabilities were recognised by the Group during the current and prior reporting periods:

| | Tax depreciation | Unrealised foreign exchange | Tax losses | Profit under construction | Other timing differences | Non- monetary items | Total |
|---------------------------|---------------------|-----------------------------------|---------------|---------------------------------|--------------------------------|---------------------------|----------|
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| At 1 January 2020 | (37,274) | 29,379 | 14,933 | 16,962 | 7,152 | (51,314) | (20,162) |
| Charge (credit) to income | (638) | 15,135 | 3,235 | (1,439) | 290 | (13,972) | 2,611 |
| Other adjustment | - | - | (63) | - | 121 | - | 58 |
| Exchange differences | 8,429 | (8,057) | (3,400) | - | (1,379) | 629 | (3,778) |
| At 31 December 2020 | (29,483) | 36,457 | 14,705 | 15,523 | 6,184 | (64,657) | (21,271) |
| Charge (credit) to income | 8 | (3,615) | (2,175) | (353) | (306) | 6,601 | 160 |
| Exchange differences | (1,146) | 1,408 | 382 | - | 136 | (64) | 716 |
| At 30 June 2021 | (30,621) | 34,250 | 12,912 | 15,170 | 6,014 | (58,120) | (20,395) |

| | Tax depreciation | Unrealised foreign exchange | Tax losses | Profit under construction | Other timing differences | Non- monetary items | Total |
|-----------------------------------|---------------------|-----------------------------------|---------------|---------------------------------|--------------------------------|---------------------------|-----------|
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| At 1 January 2020 | (150,249) | 118,420 | 60,189 | 68,367 | 28,835 | (206,831) | (81,269) |
| (Charge)/Credit to income | (2,970) | 71,038 | 16,549 | (7,471) | 2,212 | (60,747) | 18,611 |
| Other adjustments | - | - | (326) | - | 629 | - | 303 |
| Translation adjustment to Real | - | - | - | 19,772 | 467 | (68,423) | (48,184) |
| At 31 December 2020 | (153,219) | 189,458 | 76,412 | 80,668 | 32,143 | (336,001) | (110,539) |
| Charge (credit) to income | 45 | (18,138) | (11,827) | (1,874) | (1,984) | 34,147 | 369 |
| Translation adjustment to Real | - | - | - | (2,908) | (66) | 11,124 | 8,150 |
| At 30 June 2021 | (153,174) | 171,320 | 64,585 | 75,886 | 30,093 | (290,730) | (102,020) |

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

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|--------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Deferred tax liabilities | (43,761) | (50,987) | (218,901) | (264,964) |
| Deferred tax assets | 23,366 | 29,716 | 116,881 | 154,425 |
| Total | (20,395) | (21,271) | (102,020) | (110,539) |

Tax losses carryforward

At the end of the reporting period, the Group has a US\$46.5 million (R\$232.7 million) (2020: US\$64.4 million (R\$334.8 million)) balance of tax losses carryforward available to be utilised against future taxable profits.

Brazil has no tax consolidation rules, and it applies ring fencing on a legal entity basis in determining the utilisation of net operating losses (NOL) to carryforward.

Out of US\$15.6 million (R\$78.2 million) (2020: US\$21.6 million (R\$112.5 million)) total deferred tax assets from net operating losses, US\$12.9 million (R\$64.6 million) (2020: US\$14.7 million (R\$76.4 million)) was recognised for accounting purposes at the end of reporting period and is expected to be utilised against the cash-generating entities future taxable profits. The Company expects to recover the deferred tax assets between three and five years.

Deferred taxes over non-monetary items

As disclosed in Note 2 ("Basis of Preparation"), under the IAS 21 the US dollar is the functional currency for the Company and non-monetary items are re-measured using historical exchange rates. Changes in exchange rates and indexing for tax purposes will create differences between the Brazilian Reais cost of those items (tax basis) and the equivalent US dollar amount.

The deferred tax liability or asset for those differences are recognised to neutralise the effect of changes in exchange rates on non-monetary items that were measured at historical BRL/USD versus the exchange rates at the period close.

10. Impairment Test of the Cash Generate Units

The Company annually tests its assets for impairment or when there is an indication that their carrying amount may not be recoverable.

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is a weighted average cost of capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment by potential investors. The cost of debt is based on an assessment of the interest-bearing borrowings the CGU is able to borrow in the market. Segment-specific risk is incorporated by applying beta factors. The beta factors are evaluated annually based on publicly available market data.

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The review tests were performed and concluded that there are no factors that could indicate the need of an impairment recognition. Details are disclosed in the consolidated financial statements for the period ended 30 June 2021 and for the year ended 31 December 2020.

11. Goodwill

| | Rio Grande Container Terminal US\$ | Salvador Container Terminal US\$ | Total US\$ |
|------------------------|--|--|---------------|
| Cost | | | |
| At 1 January 2020 | 11,609 | 2,480 | 14,089 |
| Exchange differences | (660) | - | (660) |
| At 31 December 2020 | 10,949 | 2,480 | 13,429 |
| Exchange differences | 89 | - | 89 |
| At 30 June 2021 | 11,038 | 2,480 | 13,518 |
| Carrying amount | | | |
| 30 June 2021 | 11,038 | 2,480 | 13,518 |
| 31 December 2020 | 10,949 | 2,480 | 13,429 |

| | Rio Grande Container Terminal R\$ | Salvador Container Terminal R\$ | Total R\$ |
|------------------------|---|---------------------------------------|--------------|
| Cost | | | |
| At 1 January 2020 | 46,794 | 9,998 | 56,792 |
| Exchange differences | 10,106 | 2,888 | 12,994 |
| At 31 December 2020 | 56,900 | 12,886 | 69,786 |
| Exchange differences | (1,686) | (480) | (2,166) |
| At 30 June 2021 | 55,214 | 12,406 | 67,620 |
| Carrying amount | | | |
| 30 June 2021 | 55,214 | 12,406 | 67,620 |
| 31 December 2020 | 56,900 | 12,886 | 69,786 |

The goodwill associated with each cash-generating unit "CGU" (Tecon Salvador and Tecon Rio Grande) is attributed to the Port Terminals segment. The movement in goodwill balances in the year is due to the depreciation of the Brazilian Real against the US Dollar.

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 10.

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12. Other intangible assets

| | Applications and software | Lease Right | Other | Total |
|--|------------------------------|-------------|-------|---------|
| | US\$ | US\$ | US\$ | US\$ |
| Cost | | | | |
| At 1 January 2020 | 42,420 | 20,461 | 61 | 62,942 |
| Additions | 1,085 | - | - | 1,085 |
| Transfers to property, plant and equipment | 99 | - | - | 99 |
| Disposals | (43) | - | - | (43) |
| Exchange differences | (2,454) | (4,448) | (14) | (6,916) |
| At 31 December 2020 | 41,107 | 16,013 | 47 | 57,167 |
| Additions | 405 | - | - | 405 |
| Transfer between fixed and intangible assets | 1 | - | - | 1 |
| Disposals | (213) | - | - | (213) |
| Exchange differences | 299 | 124 | 1 | 424 |
| At 30 June 2021 | 41,599 | 16,137 | 48 | 57,784 |
| Accumulated amortisation | | | | |
| At 1 January 2020 | 33,326 | 7,304 | - | 40,630 |
| Charge for the period | 2,394 | 430 | - | 2,824 |
| Disposals | (42) | - | - | (42) |
| Impairment – constitution | - | (382) | - | (382) |
| Exchange differences | (1,330) | (1,500) | - | (2,830) |
| At 31 December 2020 | 34,348 | 5,852 | - | 40,200 |
| Charge for the period | 1,164 | 210 | - | 1,374 |
| Disposals | (209) | - | - | (209) |
| Exchange differences | 211 | 18 | - | 229 |
| At 30 June 2021 | 35,514 | 6,080 | 48 | 41,594 |
| Carrying amount | | | | |
| 30 June 2021 | 6,085 | 10,057 | 48 | 16,190 |
| 31 December 2020 | 6,759 | 10,161 | 47 | 16,967 |

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| | Applications and software | Lease Right | Other | Total |
|--|------------------------------|-------------|-------|---------|
| | R\$ | R\$ | R\$ | R\$ |
| Cost | | | | |
| At 1 January 2020 | 170,984 | 82,476 | 244 | 253,704 |
| Additions | 5,509 | - | - | 5,509 |
| Transfers to property, plant and equipment | 604 | - | - | 604 |
| Disposals | (107) | - | - | (107) |
| Foreign currency effect in respect of translation into Brazilian Real | 36,629 | 189 | 2 | 36,820 |
| At 31 December 2020 | 213,619 | 82,665 | 246 | 296,530 |
| Additions | 2,184 | - | - | 2,184 |
| Transfer between fixed and intangible assets | 4 | - | - | 4 |
| Disposals | (1,228) | - | - | (1,228) |
| Foreign currency effect in respect of translation into Brazilian Real | (6,487) | (1,944) | (3) | (8,434) |
| At 30 June 2021 | 208,092 | 80,721 | 243 | 289,056 |
| Accumulated amortisation | | | | |
| At 1 January 2020 | 134,329 | 29,440 | - | 163,769 |
| Charge for the period | 12,331 | 2,200 | - | 14,531 |
| Disposals | (104) | - | - | (104) |
| Impairment – constitution | - | (1,969) | - | (1,969) |
| Foreign currency effect in respect of translation into Brazilian Real | 31,942 | 189 | - | 32,131 |
| At 31 December 2020 | 178,498 | 29,860 | - | 208,358 |
| Charge for the period | 6,276 | 1,112 | - | 7,388 |
| Disposals | (1,227) | - | - | (1,227) |
| Foreign currency effect in respect of translation into Brazilian Real | (5,896) | (553) | - | (6,449) |
| At 30 June 2021 | 177,651 | 30,419 | - | 208,070 |
| Carrying amount | | | | |
| 30 June 2021 | 30,441 | 50,302 | 243 | 80,986 |
| 31 December 2020 | 35,121 | 52,805 | 246 | 88,172 |

In 2020, the Company reverted an impairment loss (provision) of US\$0.4 million (R\$2.0 million) related to intangible assets other than goodwill which was previously recognised in 2019.

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13. Lease arrangements

13.1. Right-of-use

| Right-of-use by class of asset | Operational assets | Vessels | Buildings | Vehicles, plant and equipment | Finance Leases | Total |
|--|-----------------------|---------|-----------|-------------------------------------|-------------------|----------|
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Cost or valuation | | | | | | |
| At 1 January 2020 | 186,026 | 4,481 | 6,449 | 3,640 | 9,063 | 209,659 |
| Contractual amendments | 9,376 | 52 | 201 | 83 | - | 9,712 |
| Additions | 1,553 | 3,504 | 19 | 124 | - | 5,200 |
| Transfers from property, plant and equipment | - | - | - | - | 495 | 495 |
| Terminated contracts | - | - | (200) | (73) | (1,838) | (2,111) |
| Exchange differences | (42,245) | (759) | (772) | (501) | (1,244) | (45,521) |
| At 31 December 2020 | 154,710 | 7,278 | 5,697 | 3,273 | 6,476 | 177,434 |
| Contractual amendments | 34,780 | 110 | 10 | 3 | - | 34,903 |
| Additions | - | 7,353 | 16 | 145 | - | 7,514 |
| Terminated contracts | - | - | (109) | (8) | (391) | (508) |
| Exchange differences | 8,255 | 797 | (259) | 40 | 142 | 8,975 |
| At 30 June 2021 | 197,745 | 15,538 | 5,355 | 3,453 | 6,227 | 228,318 |
| Accumulated amortisations | | | | | | |
| At 1 January 2020 | 8,269 | 2,276 | 1,469 | 915 | 7,719 | 20,648 |
| Charge for the period | 7,280 | 2,995 | 1,099 | 787 | 275 | 12,436 |
| Transfers from property, plant and equipment | - | - | - | - | 471 | 471 |
| Terminated contracts | - | - | (70) | (36) | (1,825) | (1,931) |
| Exchange differences | (1,810) | (521) | (77) | (116) | (944) | (3,468) |
| At 31 December 2020 | 13,739 | 4,750 | 2,421 | 1,550 | 5,696 | 28,156 |
| Charge for the period | 3,639 | 2,042 | 503 | 312 | 112 | 6,608 |
| Terminated contracts | - | - | (62) | (20) | (203) | (285) |
| Exchange differences | 755 | 204 | (218) | 31 | 145 | 917 |
| At 30 June 2021 | 18,133 | 6,996 | 2,644 | 1,873 | 5,750 | 35,396 |
| Carrying amount | | | | | | |
| 30 June 2021 | 179,612 | 8,542 | 2,711 | 1,580 | 477 | 192,922 |
| 31 December 2020 | 140,971 | 2,528 | 3,276 | 1,723 | 780 | 149,278 |

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| Right-of-use by class of asset | Operational assets | Vessels | Buildings | Vehicles, plant and equipment | Finance Leases | Total |
|--|-----------------------|---------|-----------|-------------------------------------|-------------------|-----------|
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Cost or valuation | | | | | | |
| At 1 January 2020 | 749,815 | 18,063 | 25,893 | 14,674 | 36,526 | 844,971 |
| Contractual amendments | 41,612 | 280 | 1,039 | 454 | - | 43,385 |
| Additions | 8,280 | 18,949 | 106 | 654 | - | 27,989 |
| Transfers from property, plant and equipment | - | - | - | - | 2,434 | 2,434 |
| Terminated contracts | - | - | (820) | (336) | (5,307) | (6,463) |
| Foreign currency effect in respect of translation into Brazilian Real | 4,277 | 529 | 2,551 | 1,550 | 2 | 8,909 |
| At 31 December 2020 | 803,984 | 37,821 | 28,769 | 16,996 | 33,655 | 921,225 |
| Contractual amendments | 186,729 | 604 | 46 | 11 | - | 187,390 |
| Additions | - | 40,266 | 89 | 800 | - | 41,155 |
| Terminated contracts | - | - | (421) | (34) | (2,095) | (2,550) |
| Foreign currency effect in respect of translation into Brazilian Real | (1,554) | (966) | (2,412) | (503) | (408) | (5,843) |
| At 30 June 2021 | 989,159 | 77,725 | 26,071 | 17,270 | 31,152 | 1,141,377 |
| Accumulated amortisations | | | | | | |
| At 1 January 2020 | 33,330 | 9,173 | 5,821 | 3,691 | 31,109 | 83,124 |
| Charge for the period | 37,579 | 15,689 | 5,697 | 4,068 | 1,407 | 64,440 |
| Transfers from property, plant and equipment | - | - | - | - | 2,328 | 2,328 |
| Terminated contracts | - | - | (272) | (165) | (5,318) | (5,755) |
| Foreign currency effect in respect of translation into Brazilian Real | 486 | (178) | 500 | 462 | 65 | 1,335 |
| At 31 December 2020 | 71,395 | 24,684 | 11,746 | 8,056 | 29,591 | 145,472 |
| Charge for the period | 19,529 | 10,988 | 2,710 | 1,681 | 593 | 35,501 |
| Terminated contracts | - | - | (239) | (79) | (1,089) | (1,407) |
| Foreign currency effect in respect of translation into Brazilian Real | (206) | (677) | (1,705) | (288) | (347) | (3,223) |
| At 30 June 2021 | 90,718 | 34,995 | 12,512 | 9,370 | 28,748 | 176,343 |
| Carrying amount | | | | | | |
| 30 June 2021 | 898,441 | 42,730 | 13,559 | 7,900 | 2,404 | 965,034 |
| 31 December 2020 | 732,589 | 13,137 | 17,023 | 8,940 | 4,064 | 775,753 |

Operational assets

The main lease commitments for operational assets are described below:

Rio Grande container terminal

The Rio Grande container terminal lease was signed on 3 February 1997 for a period of 25 years renewable for a further 25 and, in view of the compliance with the contractual requirements and advanced investments in the expansion works of the terminal, construction of a third berth of docking and of the annual volume handled together with other considerations, the Rio Grande container terminal was granted the right to renew of the lease for the period between 2022 and 2047 as set forth in the first amendment signed on 7 March 2006.

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Among the commitments set forth in the Lease Agreement and its Addendum, the following are highlighted:

- Monthly payment for facilities and leased areas;
- Payment by container moved, with a commitment for minimum contractual movement (MCM); and
- Pay per tonne in general cargo handling and unloading.

Salvador container terminal

Tecon Salvador S.A. has the right to lease and operate the Container and Heavy and Unitized Cargo Terminal (Liaison Quay) in the Port of Salvador for 25 years early renewed in 2016 for a further 25 years to March 2050.

The total lease term of 50 years, until March 2050, is provided in the Second Addendum to the Rental Agreement. This addendum provides for the expansion of the lease area through the completing minimum investments.

As a result of the lease agreement with CODEBA, the Company has the following commitments:

- Payment of monthly instalments readjusted for the minimum periodicity established in the contract;
- Payment for the lease of the existing area and the area added under the terms of the second contractual addendum; and
- Payment of minimum contractual movement - MMC.

Wilson Sons shipyards

Wilson Sons shipyards lease commitments mainly refer to a 60-year lease right of its operational asset from June 2008 (30 years, renewable for a further period of 30 years, under Group's sole option). Management intention is to exercise its renewal option.

Offshore support bases

Offshore support base lease commitments mainly refer to a 30-year lease right to operate in a sheltered area at Guanabara Bay, Rio de Janeiro, Brazil with a privileged position to service the Campos and Santos oil producing basins.

Logistics

Logistics lease commitments mainly refer to the bonded terminals and distribution centres located in Santo André and Suape with terms between eighteen and twenty-four years.

Vessels

Chartering of vessels for maritime transport between container terminals and towage operations.

The payments related to the quantity of vessel trips were not included in the measurement of lease liabilities because they relate to variable payments.

Buildings

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

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Vehicles, plant and equipment

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

Finance Leases

Lease contracts previously classified under IAS 17 and substantially represented by Machines and Equipment.

13.2. Lease liabilities

| Lease liabilities by class of asset | Discount Rate | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|-------------------------------------|----------------|------------|------------|------------|------------|
| | | US\$ | US\$ | R\$ | R\$ |
| Operational area | 5.17% - 9.33% | 191,680 | 150,513 | 958,824 | 782,175 |
| Vessels | 7.75% - 8.54% | 9,025 | 2,759 | 45,143 | 14,337 |
| Buildings | 4.41% - 9.80% | 2,555 | 2,932 | 12,781 | 15,235 |
| Vehicles, plant and equipment | 4.87% - 12.90% | 1,615 | 1,690 | 8,078 | 8,780 |
| Total | | 204,875 | 157,894 | 1,024,826 | 820,527 |
| Total current | | 23,725 | 18,192 | 118,677 | 94,538 |
| Total non-current | | 181,150 | 139,702 | 906,149 | 725,989 |

The breakdown of lease liabilities by maturity is as follows:

| Maturity analysis – contractual undiscounted cash flows | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|---|------------|------------|-------------|-------------|
| | US\$ | US\$ | R\$ | R\$ |
| Within one year | 24,940 | 19,153 | 124,757 | 99,533 |
| In the second year | 22,807 | 17,365 | 114,085 | 90,239 |
| In the third to fifth years (inclusive) | 64,721 | 49,353 | 323,746 | 256,471 |
| After five years | 373,099 | 292,766 | 1,866,318 | 1,521,418 |
| Total undiscounted lease liabilities | 485,567 | 378,637 | 2,428,906 | 1,967,661 |
| Adjustment to present value | (280,692) | (220,743) | (1,404,080) | (1,147,134) |
| Total lease liabilities | 204,875 | 157,894 | 1,024,826 | 820,527 |

Inflation adjustment of the lease liabilities

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

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|-------------------|------------|------------|-------------|-------------|
| | US\$ | US\$ | R\$ | R\$ |
| Actual flow | 485,567 | 378,637 | 2,428,906 | 1,967,661 |
| Embedded interest | (280,692) | (220,743) | (1,404,080) | (1,147,134) |
| Lease liabilities | 204,875 | 157,894 | 1,024,826 | 820,527 |

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| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|-------------------|--------------------|--------------------|-------------------|-------------------|
| Inflated flow | 511,804 | 400,017 | 2,560,148 | 2,078,767 |
| Embedded interest | (300,730) | (236,886) | (1,504,313) | (1,231,027) |
| Lease liabilities | 211,074 | 163,131 | 1,055,835 | 847,740 |

13.3. Amounts recognised in profit or loss

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|---|-----------------------------|--------------------|---------------------------|--------------------|-----------------------------|-------------------|---------------------------|-------------------|
| | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
| Amortisation of Right-of-use | (3,484) | (3,495) | (6,608) | (6,486) | (18,420) | (19,019) | (35,501) | (32,421) |
| Amortisation of PIS and COFINS | 330 | 907 | 626 | 1,174 | 1,751 | 5,108 | 3,368 | 6,406 |
| Interest on lease liabilities | (3,974) | (4,040) | (7,237) | (7,790) | (20,996) | (22,000) | (38,842) | (38,812) |
| Interest PIS and COFINS | 263 | 691 | 447 | 951 | 1,395 | 3,880 | 2,400 | 5,148 |
| Variable lease payments not included in the measurement of lease liabilities ⁽¹⁾ | (776) | (487) | (1,117) | (968) | (4,160) | (2,641) | (6,012) | (4,795) |
| Expenses relating to short-term leases | (7,037) | (4,893) | (13,325) | (8,953) | (37,267) | (26,321) | (71,622) | (44,414) |
| Expenses relating to low-value assets | (65) | (258) | (311) | (568) | (342) | (1,377) | (1,696) | (2,747) |
| Total | (14,743) | (11,575) | (27,525) | (22,640) | (78,039) | (62,370) | (147,905) | (111,635) |

⁽¹⁾ The amount refers to payments which exceeded the minimum forecast volumes of the Rio Grande and Salvador container terminals and payments related to the quantity of vessel trips were not included in the measurement of lease liabilities.

The Group is not able to estimate the future cash outflows to variable lease payments due to operational, economics and exchange rate variabilities.

13.4. Amounts recognised in the statement of cash flows

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|---------------------------------|-----------------------------|--------------------|---------------------------|--------------------|-----------------------------|-------------------|---------------------------|-------------------|
| | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
| Amortisation – lease liability | (2,429) | (1,665) | (4,376) | (3,237) | (12,882) | (9,077) | (23,531) | (16,114) |
| Interest paid – lease liability | (3,975) | (4,040) | (7,237) | (7,805) | (20,996) | (21,998) | (38,842) | (38,877) |
| Short-term leases paid | (7,037) | (4,893) | (13,325) | (8,953) | (37,267) | (26,321) | (71,622) | (44,414) |
| Variable lease payments paid | (776) | (487) | (1,117) | (968) | (4,160) | (2,641) | (6,012) | (4,795) |
| Low-value | (65) | (258) | (311) | (568) | (342) | (1,377) | (1,696) | (2,747) |
| Total | (14,282) | (11,343) | (26,366) | (21,531) | (75,647) | (61,414) | (141,703) | (106,947) |

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14. Property, plant and equipment

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

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| | Land and buildings | Vessels | Vehicles, plant and equipment | Assets under construction | Total |
|--|-----------------------|-----------|----------------------------------|------------------------------|-----------|
| | R\$ | R\$ | R\$ | R\$ | R\$ |
| Cost or valuation | | | | | |
| At 1 January 2020 | 1,263,353 | 2,081,297 | 931,999 | 1,177 | 4,277,826 |
| Additions | 128,547 | 52,762 | 134,249 | - | 315,558 |
| Transfers | 794 | (614) | (180) | - | - |
| Transfers to right-of-use | - | - | (2,434) | - | (2,434) |
| Transfers from intangible assets | - | - | (604) | - | (604) |
| Disposals | (21,269) | (5,151) | (25,004) | - | (51,424) |
| Foreign currency effect in respect of translation into Brazilian Real | 80,081 | 602,490 | 48,253 | 341 | 731,165 |
| At 31 December 2020 | 1,451,506 | 2,730,784 | 1,086,279 | 1,518 | 5,270,087 |
| Additions | 19,805 | 52,076 | 12,456 | 4,468 | 88,805 |
| Transfers | (125) | - | 125 | - | - |
| Transfers from intangible assets | (4) | - | - | - | (4) |
| Disposals | 224 | (656) | (2,974) | - | (3,406) |
| Foreign currency effect in respect of translation into Brazilian Real | (21,979) | (105,493) | (8,456) | (425) | (136,353) |
| At 30 June 2021 | 1,449,427 | 2,676,711 | 1,087,430 | 5,561 | 5,219,129 |
| Accumulated depreciation | | | | | |
| At 1 January 2020 | 370,607 | 876,143 | 503,630 | - | 1,750,380 |
| Charge for the period | 34,659 | 149,451 | 61,342 | - | 245,452 |
| Elimination on construction contracts | - | 67 | - | - | 67 |
| Transfers to right-of-use | - | - | (2,328) | - | (2,328) |
| Disposals | (13,968) | (4,386) | (24,407) | - | (42,761) |
| Foreign currency effect in respect of translation into Brazilian Real | 22,506 | 254,933 | 32,232 | - | 309,671 |
| At 31 December 2020 | 413,804 | 1,276,208 | 570,469 | - | 2,260,481 |
| Charge for the period | 21,263 | 72,110 | 35,393 | - | 128,766 |
| Elimination on construction contracts | - | 134 | - | - | 134 |
| Disposals | - | (609) | (2,511) | - | (3,120) |
| Foreign currency effect in respect of translation into Brazilian Real | (5,784) | (52,898) | (5,869) | - | (64,551) |
| At 30 June 2021 | 429,283 | 1,294,945 | 597,482 | - | 2,321,710 |
| Carrying amount | | | | | |
| 30 June 2021 | 1,020,144 | 1,381,766 | 489,948 | 5,561 | 2,897,419 |
| 31 December 2020 | 1,037,702 | 1,454,576 | 515,810 | 1,518 | 3,009,606 |

Land and buildings with a net carrying amount of US\$0.2 million (R\$1.1 million) (2020: US\$0.2 million (R\$1.1 million)) and plant and equipment with a net carrying amount of US\$0.1 million (R\$0.6 million) (2020: US\$0.1 million (R\$0.5 million)) have been pledged as collateral for various tax lawsuits.

The Group has pledged assets with a carrying amount of approximately US\$252.5 million (R\$1.263 billion) (2020: US\$253.6 million (R\$1.318 billion)) to secure loans granted to the Group.

The amount of borrowing costs capitalised in 2020 was US\$3.0 million (R\$15.6 million)) at an average interest rate of 2.49%. In 2021, there were no capitalised borrowing costs.

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On 30 June 21, the Group had contractual commitments to suppliers for the acquisition and construction of property, plant and equipment amounting to US\$10.9 million (R\$54.5 million) (2020: US\$1.6 million (R\$8.3 million)). The amount mainly refers to investments in the Salvador container terminal with some smaller amounts related to the Rio Grande container terminal and Offshore support bases.

15. Inventories

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|---|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Operating materials | 10,904 | 9,404 | 54,544 | 48,870 |
| Raw materials for construction contracts (external customers) | 1,754 | 2,360 | 8,774 | 12,264 |
| Total | 12,658 | 11,764 | 63,318 | 61,134 |

16. Recoverable taxes

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|--|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| PIS and COFINS recoverable | 3,307 | 8,226 | 16,538 | 42,748 |
| Judiciary bond recoverable | 2,253 | 2,192 | 11,271 | 11,394 |
| Other recoverable taxes | 610 | 588 | 3,053 | 3,053 |
| Total recoverable taxes non-current | 6,170 | 11,006 | 30,862 | 57,195 |
| PIS and COFINS recoverable | 18,211 | 12,700 | 91,099 | 66,000 |
| Income tax and social contribution recoverable | 7,158 | 6,987 | 35,810 | 36,310 |
| ISS recoverable | 1,039 | 934 | 5,198 | 4,853 |
| INSS recoverable | 297 | 203 | 1,484 | 1,057 |
| FUNDAF recoverable | 157 | 237 | 786 | 1,232 |
| Judiciary bond recoverable | 122 | 1,333 | 609 | 6,929 |
| Other recoverable taxes | 52 | 85 | 253 | 434 |
| Total recoverable taxes current | 27,036 | 22,479 | 135,239 | 116,815 |
| Total | 33,206 | 33,485 | 166,101 | 174,010 |

The Group reviews taxes and levies impacting its business to ensure that payments are accurately made. In the event tax credits arise, the Group intends to use them in future years within their legal term. If the Company does not utilise the tax credit within their legal term, a reimbursement of such amounts will be requested from the Brazilian Internal Revenue Service ("Receita Federal do Brasil"). In December 2020, there was the write-off of PIS and COFINS tax credits amounting to US\$3.4 million (R\$18.5 million) due to the forfeiture and remote prospects of realising these credits.

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17. Operational and other trade receivables

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|---|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Other trade receivables | 11,278 | 151 | 58,094 | 784 |
| Total other non-current trade receivables | 11,278 | 151 | 58,094 | 784 |
| Receivable for services rendered | 49,973 | 39,321 | 249,976 | 204,340 |
| Expected credit losses | (390) | (554) | (1,950) | (2,879) |
| Total operational current trade receivables | 49,583 | 38,767 | 248,026 | 201,461 |
| Prepayment | 5,796 | 3,992 | 28,993 | 20,746 |
| Insurance indemnisation receivable | 750 | 995 | 3,750 | 5,171 |
| Employee credits | 934 | 1,099 | 4,671 | 5,710 |
| Other trade receivables | 818 | 716 | 4,093 | 3,722 |
| Total other current trade receivables | 8,298 | 6,802 | 41,507 | 35,349 |
| Total | 69,159 | 45,720 | 347,627 | 237,594 |
| Total current | 57,881 | 45,569 | 289,533 | 236,810 |
| Total non-current | 11,278 | 151 | 58,094 | 784 |

Trade receivables disclosed are classified as financial assets measured at amortised cost.

The aging list of receivables for services rendered is as follows:

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|--------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Current | 43,504 | 32,730 | 217,617 | 170,092 |
| Overdue: | | | | |
| 01 to 30 days | 4,170 | 4,800 | 20,862 | 24,942 |
| 31 to 90 days | 1,033 | 852 | 5,166 | 4,426 |
| 91 to 180 days | 786 | 197 | 3,932 | 1,026 |
| More than 180 days | 480 | 742 | 2,399 | 3,854 |
| Total | 49,973 | 39,321 | 249,976 | 204,340 |

Generally, interest of one percent per month plus a two percent penalty is charged on overdue balances. Allowances for expected credit losses are recognised as a reduction of receivables and are recognised whenever a loss is expected. As of 1 January 2018, due to the application of IFRS 9, the Group has recognised an allowance taking into account an expected credit loss model that involves historical evaluation of effective loss over billing cycles. The period over review is 3.5 years, being renewed every 180 days. The measurement of default rate shall consider the recoverability of receivables and will apply according of payment profile of the debtors. The Group reviews, when appropriate, the matrix to adjust the historical credit loss experience with forward-looking information. The provision matrix is disclosed in Note 27. Due to the COVID-19 pandemic, the Company has reviewed the variables that make up the methodology of measurement of estimated losses, and has not observed an increase in customer default due to the outbreak. Also due to the COVID-19 pandemic, the Company created a Credit Committee to monitor, and, if necessary, propose solutions for exposure to customers in fragile situations which also contributed to a decrease in default.

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Changes in allowance for expected credit losses are as follows:

| | US\$ | R\$ |
|-----------------------|-------|-------|
| At 1 January 2020 | 837 | 3,374 |
| Decrease in allowance | (99) | (495) |
| Exchange difference | (184) | - |
| At 31 December 2020 | 554 | 2,879 |
| Decrease in allowance | (172) | (929) |
| Exchange difference | 8 | - |
| At 30 June 2021 | 390 | 1,950 |

18. Cash and cash equivalents and short-term investments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts and short-term investments that are highly liquid and readily convertible to known amounts of cash, and which are subject to an immaterial risk of changes in value.

US dollar-denominated cash and cash equivalents refer principally to investments in time deposits placed with major financial institutions, Real-denominated cash and cash equivalents refer principally to investments in deposit certificates and Brazilian treasury bonds.

Short-term investments

Short-term investments comprise investments with maturity dates of more than 90 days but less than 365 days.

The breakdown of cash and cash equivalents and short-term investments is as follows:

| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|--|--------------------|--------------------|-------------------|-------------------|
| Denominated in US dollar: | | | | |
| Short-term investments | - | 39,590 | - | 205,735 |
| Cash and bank | 27,826 | 4,958 | 139,190 | 25,767 |
| Total | 27,826 | 44,548 | 139,190 | 231,502 |
| Denominated in Brazilian Real: | | | | |
| Fixed income exclusive investment fund | 25,388 | 47,057 | 126,994 | 244,543 |
| Cash and bank | 165 | 784 | 827 | 4,072 |
| Deposit certificates | 105 | 5,938 | 527 | 30,859 |
| Total | 25,658 | 53,779 | 128,348 | 279,474 |
| Total | 53,484 | 98,327 | 267,538 | 510,976 |
| Total cash and cash equivalents | 53,484 | 58,737 | 267,538 | 305,241 |
| Total short-term investments | - | 39,590 | - | 205,735 |

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The average income of cash and cash equivalents is determined below:

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|--|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Denominated in US Dollar: | | | | |
| Short-term investments - Time deposits | - | 1.07% | - | 1.07% |
| Denominated in Real: | | | | |
| Fixed income exclusive investment fund | 2.22% | 2.55% | 2.22% | 2.55% |
| Deposit certificates | - | 2.25% | 2.63% | 2.16% |

Exclusive investment fund

The Group has investments in an exclusive investment fund managed by Itaú BBA S.A. that is consolidated in these financial statements. These highly liquid investments are readily convertible to known amounts of cash and are marked to fair value on a daily basis in profit and loss. This fund's financial obligations are limited to Itaú BBA S.A.'s service fees, audit fees and other minor administrative expenses.

The exclusive investment fund is made up as follows:

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|---|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Fixed income investment | | | | |
| Financial Treasury Bills | 12,994 | 27,666 | 64,997 | 143,773 |
| Financial Bills | 6,607 | 7,075 | 33,048 | 36,768 |
| Certificates of bank deposits (CDB) - anticipated liquidation | - | 3,081 | - | 16,010 |
| Financial Bills - Level II | 933 | 913 | 4,666 | 4,745 |
| LTN Over | 4,854 | - | 24,283 | - |
| LTF Over | - | 8,322 | - | 43,247 |
| Total | 25,388 | 47,057 | 126,994 | 244,543 |

19. Bank loans

Guarantees

Loans with BNDES and Banco do Brasil rely on a corporate guarantee from Wilson Sons Holdings Brasil Ltda. or Wilson Sons Terminais e Logística Ltda. For some contracts, the corporate guarantee is additional to pledge of the respective tugboat or lien on the logistics equipment.

The loan agreement for both the Salvador and Rio Grande container terminals from Bradesco for equipment acquisition relies on a corporate guarantee from Wilson Sons Terminais e Logística Ltda.

The loan agreement from Itaú for equipment acquisition relies on a corporate guarantee from Wilson Sons Terminais e Logística Ltda.

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| Secured borrowings | Interest rate - % p.a. | Business | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|--|---------------------------|------------------------|--------------------|--------------------|-------------------|-------------------|
| BNDES - FMM linked to US Dollar ¹ | 2.30% - 3.71% | Towage | 117,696 | 117,781 | 588,734 | 612,070 |
| BNDES - FMM linked to US Dollar ¹ | 2.07% - 4.08% | Shipyards | 27,001 | 27,060 | 135,064 | 140,625 |
| BNDES - FMM linked to US Dollar ¹ | 5.00% | Towage | 1,324 | 1,605 | 6,625 | 8,339 |
| BNDES – Real | 6.64% - 13.23% | Container Terminals | 49,692 | 47,632 | 248,571 | 247,528 |
| BNDES – Real | 11.97% | Offshore support bases | 7,395 | 7,545 | 36,994 | 39,211 |
| BNDES - FMM Real ¹ | 8.59% | Towage | 774 | 805 | 3,871 | 4,181 |
| Total BNDES | | | 203,882 | 202,428 | 1,019,859 | 1,051,954 |
| Banco do Brasil - FMM linked to US Dollar ¹ | 2.00% - 4.00% | Towage | 74,791 | 75,795 | 374,117 | 393,885 |
| Bradesco - NCE – Real | 5.08% - 5.45% | Container terminals | 35,228 | 38,660 | 176,220 | 200,907 |
| China Construction Bank – Real | 5.65% | Container terminals | - | 13,666 | - | 71,020 |
| Santander – Real | 6.44% | Container terminals | - | 6,153 | - | 31,977 |
| Itaú - NCE – Real | 3.38% | Container terminals | - | 4,056 | - | 21,076 |
| Santander – Real | 6.44% | Towage | - | 1,903 | - | 9,888 |
| Total others | | | 110,019 | 140,233 | 550,337 | 728,753 |
| Total | | | 313,901 | 342,661 | 1,570,196 | 1,780,707 |

(¹) As agents of the Merchant Marine Fund (Fundo da Marinha Mercante - FMM), Banco Nacional de Desenvolvimento Econômico e Social ("BNDES") and Banco do Brasil ("BB") finance the construction of tugboats and shipyard facilities.

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

| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|---|--------------------|--------------------|-------------------|-------------------|
| Within one year | 44,514 | 58,672 | 222,668 | 304,901 |
| In the second year | 38,712 | 44,707 | 193,647 | 232,329 |
| In the third to fifth years (including) | 95,464 | 96,250 | 477,531 | 500,182 |
| After five years | 135,211 | 143,032 | 676,350 | 743,295 |
| Total | 313,901 | 342,661 | 1,570,196 | 1,780,707 |
| Total current | 44,514 | 58,672 | 222,668 | 304,901 |
| Total non-current | 269,387 | 283,989 | 1,347,528 | 1,475,806 |

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Changes in bank loans are as follows:

| | US\$ | R\$ |
|---------------------------------|----------|-----------|
| At 1 January 2020 | 334,978 | 1,350,196 |
| Additions | 51,455 | 271,022 |
| Principal amortisation | (25,725) | (125,350) |
| Interest amortisation | (8,569) | (43,554) |
| Accrued interest ⁽¹⁾ | 13,840 | 71,261 |
| Exchange difference | (23,318) | - |
| Translation adjustment to real | - | 257,132 |
| At 31 December 2020 | 342,661 | 1,780,707 |
| Additions | 2,916 | 15,651 |
| Principal amortisation | (35,997) | (198,896) |
| Interest amortisation | (4,761) | (25,722) |
| Accrued interest ⁽¹⁾ | 7,755 | 41,774 |
| Other provisions | 25 | 145 |
| Exchange difference | 1,302 | - |
| Translation adjustment to real | - | (43,463) |
| At 30 June 2021 | 313,901 | 1,570,196 |

(¹) It includes capitalised interest

The analysis of borrowings by currency is as follows:

| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|---------------------------|--------------------|--------------------|-------------------|-------------------|
| Bank loans | | | | |
| Real | 15,337 | 33,680 | 76,718 | 175,023 |
| Real linked to US Dollars | 29,177 | 24,992 | 145,950 | 129,878 |
| Total current | 44,514 | 58,672 | 222,668 | 304,901 |
| Bank loans | | | | |
| Real | 77,753 | 86,740 | 388,936 | 450,764 |
| Real linked to US Dollars | 191,634 | 197,249 | 958,592 | 1,025,042 |
| Total non-current | 269,387 | 283,989 | 1,347,528 | 1,475,806 |
| Total | 313,901 | 342,661 | 1,570,196 | 1,780,707 |

Undrawn credit facilities

At 30 June 2021, the Group had available US\$14.5million (R\$72.7 million) (2020: US\$19.1 million (R\$99.3 million)) of undrawn borrowing facilities available in relation to (i) the Salvador Terminal expansion, and (ii) the dry-docking, maintenance and repair of tugs. Additionally, the Group has US\$9.4 million (R\$ 48.8 million) in contracted financing for the future construction of tugboats which is pending amendment to the contract related to vessel specification changes.

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Fair value

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

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|-------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Bank loans | | | | |
| BNDES | 203,882 | 202,428 | 1,019,860 | 1,051,954 |
| Banco do Brasil | 74,791 | 75,795 | 374,117 | 393,885 |
| Bradesco – NCE | 35,111 | 40,577 | 175,632 | 210,867 |
| China Construction Bank | - | 13,657 | - | 70,970 |
| Santander | - | 8,045 | - | 41,806 |
| Itaú | - | 4,060 | - | 21,100 |
| Total | 313,784 | 344,562 | 1,569,609 | 1,790,582 |

Covenants

Some of the Company's long-term financial instruments contain obligations related to financial indicators, including net debt over EBITDA, Equity over total debt, Current Liquidity ratio and Debt Service Coverage Ratio.

Wilson Sons Holdings Brasil S.A. and Wilson Sons Terminais e Logística Ltda. as corporate guarantors have to comply with annual loan covenants for Wilson Sons Estaleiros, Wilson Sons Serviços Marítimos Ltda. and Tecon Salvador S.A., in respect of loan agreements signed with BNDES and Bradesco.

Wilson Sons Holdings Brasil S.A. has to comply with the following loan covenants with BNDES:

- EBITDA over net revenue ≥ 0.165 ;
- EBITDA over Debt Service Coverage Ratio ≥ 1.7 ;
- Equity over total asset ≥ 0.3 ; and
- Net debt over EBITDA ≤ 3.0 .

Wilson Sons Terminais e Logística Ltda. has to comply with the following loan covenants with BNDES and Bradesco:

- Debt Service Coverage Ratio ≥ 1.3 ;
- Net debt over EBITDA ≤ 3.0 ; and
- Equity over total asset ≥ 0.3 .

Wilson Sons Terminais e Logística Ltda. as corporate guarantor for loan agreements signed with Bradesco for both Tecon Salvador S.A and Tecon Rio Grande has to comply with annual loan covenants.

For the BNDES agreements the Salvador container terminal has to comply with the debt service coverage ratio covenant greater than or equal to 1.3.

The Company, in the normal course of its operations, has complied with all applicable contractual requirements and claims to be in compliance with all obligations assumed in its financial contracts.

At 30 June 2021, the Company was in compliance with all clauses for the above-mentioned loan contracts.

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20. Provisions for tax, labour and civil risks

| | Labour claims US\$ | Tax cases US\$ | Civil cases US\$ | Total US\$ |
|-------------------------------------|-----------------------|-------------------|---------------------|---------------|
| At 1 January 2020 | 10,704 | 2,110 | 1,829 | 14,643 |
| Increase in provision in the year | 904 | 82 | 11 | 997 |
| Unused amounts reversed | (663) | (488) | (1,012) | (2,163) |
| Utilisation of provisions | (572) | (21) | (51) | (644) |
| Exchange difference | (2,388) | (481) | (404) | (3,273) |
| At 31 December 2020 | 7,985 | 1,202 | 373 | 9,560 |
| Increase in provision in the period | 164 | 364 | 90 | 618 |
| Unused amounts reversed | (890) | (50) | 1 | (939) |
| Utilisation of provisions | (45) | 3 | (11) | (53) |
| Exchange difference | 260 | 46 | 16 | 322 |
| At 30 June 2021 | 7,474 | 1,565 | 469 | 9,508 |

| | Labour claims R\$ | Tax cases R\$ | Civil cases R\$ | Total R\$ |
|-------------------------------------|----------------------|------------------|--------------------|--------------|
| At 1 January 2020 | 43,145 | 8,506 | 7,371 | 59,022 |
| Increase in provision in the year | 4,532 | 428 | 41 | 5,001 |
| Unused amounts reversed | (3,448) | (2,538) | (5,259) | (11,245) |
| Utilisation of provisions | (2,735) | (152) | (211) | (3,098) |
| At 31 December 2020 | 41,494 | 6,244 | 1,942 | 49,680 |
| Increase in provision in the period | 868 | 1,837 | 461 | 3,166 |
| Unused amounts reversed | (4,713) | (253) | - | (4,966) |
| Utilisation of provisions | (262) | - | (53) | (315) |
| At 30 June 2021 | 37,387 | 7,828 | 2,350 | 47,565 |

In the ordinary course of business in Brazil, the Group is exposed to numerous local legal claims. It is the Group's policy to vigorously contest such claims, many of which appear to have little substance or merit, and to manage such claims through its lawyers.

In addition to the cases for which the Group booked provisions there are other tax, civil and labour disputes amounting to US\$79.9 million (R\$399.8 million) (2020: US\$77.4 million (R\$402.2 million)) with probability of loss estimated by the legal counsels as possible.

The breakdown of possible claims is described as follows:

| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|---------------|--------------------|--------------------|-------------------|-------------------|
| Tax cases | 59,091 | 58,809 | 295,584 | 305,611 |
| Civil cases | 14,657 | 13,318 | 73,316 | 69,208 |
| Labour claims | 6,172 | 5,264 | 30,875 | 27,354 |
| Total | 79,920 | 77,391 | 399,775 | 402,173 |

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The main probable and possible claims against the Group are described below:

Tax cases - The Group defends itself against government tax assessments considered inappropriate or the Company considers it has a chance of successfully defending its position.

Labour claims - Most claims involve payment of health risks, additional overtime and other allowances.

Civil and environmental cases - Indemnification claims involving material damages, environmental and shipping claims and other contractual disputes.

Procedure for classification of legal liabilities identifies claims as probable, possible or remote, as assessed with the assistance of external lawyers:

- Upon receipt of notices of new judicial lawsuits, external lawyers generally classify the claim as possible, recorded at the total amount involved. Wilson Sons uses the criteria of the estimated value at risk and not the total order value involved in each process.
- Exceptionally, if there is sufficient knowledge from the beginning that there is very high or very low risk of loss, the lawyer may classify the claim as a probable loss or remote loss.
- During the course of the lawsuit and considering, for instance, its first judicial decision, legal precedents, arguments of the claimant, thesis under discussion, applicable laws, documentation for the defense and other variables the lawyer may re-classify the claim as a probable loss or remote loss.
- When classifying the claim as a probable and possible loss, the lawyer estimates the amount at risk for such claim.

Management is not able to give an indication when the provisions are likely to be utilised as the majority of provisions involve litigations the resolution of which is highly uncertain as to timing.

21. Operational and other trade payables

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|----------------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Operational trade payables | | | | |
| Trade payables | 19,071 | 16,039 | 95,397 | 83,349 |
| Advance from customers | 716 | 791 | 3,582 | 4,111 |
| Total operational trade payables | 19,787 | 16,830 | 98,979 | 87,460 |
| Other trade payables | | | | |
| Accruals | 7,700 | 5,757 | 38,516 | 29,918 |
| Other advances | 454 | 573 | 2,271 | 2,978 |
| Other trade payables | 129 | 339 | 645 | 1,762 |
| Total other trade payables | 8,283 | 6,669 | 41,432 | 34,658 |
| Total | 28,070 | 23,499 | 140,411 | 122,118 |

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22. Taxes payable

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| INSS payable | 1,932 | 1,885 | 9,665 | 9,798 |
| ISS payable | 1,761 | 541 | 8,808 | 2,812 |
| PIS and COFINS payable | 1,614 | 1,676 | 8,074 | 8,709 |
| Income tax payable | 588 | 1,121 | 2,940 | 5,828 |
| FGTS payable | 336 | 483 | 1,680 | 2,508 |
| Other taxes payable | 557 | 526 | 2,786 | 2,731 |
| Total | 6,788 | 6,232 | 33,953 | 32,386 |

23. Stock options plan and post-employment benefits

23.1. Stock option plan

The shareholders in special general meeting approved grant of options to eligible participants to be selected by the board on the 8 January 2014 including increase in the authorised capital of the Company through the creation of up to 4,410,927 new shares. The options provide participants with the right to acquire shares via Brazilian Depositary Receipts ("BDR") in Wilson Sons Limited at a predetermined fixed price not less than the three-day average mid-price for the days preceding the date of option issuance. The stock option plan is detailed below:

| Options series | Grant date | Original vesting date | Expiry date | Exercise price (R\$) | Number | Expired | Exercised | Vested | Outstanding not vested | Total subsisting |
|-----------------|------------|-----------------------|-------------|----------------------|-----------|-----------|-------------|---------|------------------------|------------------|
| 07 ESO - 3 Year | 10/01/2014 | 10/01/2017 | 10/01/2024 | 31.23 | 961,653 | (178,695) | (517,521) | 265,437 | - | 265,437 |
| 07 ESO - 4 Year | 10/01/2014 | 10/01/2018 | 10/01/2024 | 31.23 | 961,653 | (178,695) | (517,521) | 265,437 | - | 265,437 |
| 07 ESO - 5 Year | 10/01/2014 | 10/01/2019 | 10/01/2024 | 31.23 | 990,794 | (184,110) | (514,658) | 292,026 | - | 292,026 |
| 07 ESO - 3 Year | 13/11/2014 | 13/11/2017 | 13/11/2024 | 33.98 | 45,870 | (17,490) | (28,380) | - | - | - |
| 07 ESO - 4 Year | 13/11/2014 | 13/11/2018 | 13/11/2024 | 33.98 | 45,870 | (17,490) | (28,380) | - | - | - |
| 07 ESO - 5 Year | 13/11/2014 | 13/11/2019 | 13/11/2024 | 33.98 | 47,260 | (18,020) | (29,240) | - | - | - |
| 07 ESO - 3 Year | 11/08/2016 | 11/08/2019 | 11/08/2026 | 34.03 | 82,500 | - | (34,380) | 48,120 | - | 48,120 |
| 07 ESO - 4 Year | 11/08/2016 | 11/08/2020 | 11/08/2026 | 34.03 | 82,500 | - | (34,380) | 48,120 | - | 48,120 |
| 07 ESO - 5 Year | 11/08/2016 | 11/08/2021 | 11/08/2026 | 34.03 | 85,000 | - | - | - | 85,000 | 85,000 |
| 07 ESO - 3 Year | 15/05/2017 | 15/05/2020 | 15/05/2027 | 38.00 | 20,130 | (4,620) | - | 15,510 | - | 15,510 |
| 07 ESO - 4 Year | 15/05/2017 | 15/05/2021 | 15/05/2027 | 38.00 | 20,130 | (4,620) | - | 15,510 | - | 15,510 |
| 07 ESO - 5 Year | 15/05/2017 | 15/05/2022 | 15/05/2027 | 38.00 | 20,740 | (4,760) | - | - | 15,980 | 15,980 |
| 07 ESO - 3 Year | 09/11/2017 | 09/11/2020 | 09/11/2027 | 40.33 | 23,760 | (11,880) | (11,500) | 380 | - | 380 |
| 07 ESO - 4 Year | 09/11/2017 | 09/11/2021 | 09/11/2027 | 40.33 | 23,760 | (11,880) | - | - | 11,880 | 11,880 |
| 07 ESO - 5 Year | 09/11/2017 | 09/11/2022 | 09/11/2027 | 40.33 | 24,480 | (12,240) | - | - | 12,240 | 12,240 |
| 07 ESO - 3 Year | 10/05/2021 | 10/05/2024 | 10/05/2031 | 51.95 | 148,500 | - | - | - | 148,500 | 148,500 |
| 07 ESO - 4 Year | 10/05/2021 | 10/05/2025 | 10/05/2031 | 51.95 | 148,500 | - | - | - | 148,500 | 148,500 |
| 07 ESO - 5 Year | 10/05/2021 | 10/05/2026 | 10/05/2031 | 51.95 | 153,000 | - | - | - | 153,000 | 153,000 |
| Total | | | | | 3,886,100 | (644,500) | (1,715,960) | 950,540 | 575,100 | 1,525,640 |

The options terminate on their expiry date or immediately on the resignation of the director or senior employee, whichever is earlier. Options lapse if not exercised within 6 months of the date that the participant ceases to be employed or hold office by reason of, amongst others, injury, disability, retirement or dismissal without cause.

Movements during the period

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

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| | Number | WAEP (R\$) |
|--|------------------|------------|
| At 1 January 2020 | 2,702,540 | 31.85 |
| Exercised during the year | (475,050) | 31.23 |
| Expired during the year | (14,000) | 33.98 |
| At 31 December 2020 | <u>2,213,490</u> | 31.96 |
| New options | 450,000 | 51.95 |
| Exercised during the year ¹ | (1,123,850) | 31.65 |
| Expired during the year | <u>(14,000)</u> | 38.00 |
| At 30 June 2021 | <u>1,525,640</u> | 38.03 |

¹ The weighted average share price at the date of exercise of these options was R\$31.65 (2020: R\$45.76).

The following fair value expense of the grant to be recorded as a liability in the respective accounting periods was determined using a binomial model based on the assumptions detailed below:

| Period commencing | Projected IFRS2 fair value expense US\$ | Projected IFRS2 fair value expense R\$ |
|-------------------|--|---|
| 2014 | 2,826 | 7,453 |
| 2015 | 3,296 | 7,893 |
| 2016 | 3,409 | 8,115 |
| 2017 | 2,331 | 5,776 |
| 2018 | 1,303 | 2,922 |
| 2019 | 370 | 881 |
| 2020 | 206 | 1,403 |
| 2021 | 296 | 1,345 |
| 2022 | 333 | 1,684 |
| 2023 | 306 | 1,599 |
| 2024 | 225 | 1,177 |
| 2025 | 116 | 605 |
| 2026 | 29 | 151 |
| Total | <u>15,046</u> | <u>41,004</u> |

| | 10 January 2014 | 13 November 2014 | 11 August 2016 | 16 May 2017 | 9 November 2017 | 10 May 2021 |
|-------------------------------|-----------------|------------------|----------------|-------------|-----------------|---------------|
| Closing share price (in Real) | R\$ 30.05 | R\$ 33.50 | R\$ 32.15 | R\$ 38.00 | R\$ 38.01 | R\$ 50.85 |
| Expected volatility | 28.00% | 29.75% | 31.56% | 31.82% | 31.82% | 38.18%-40.30% |
| Expected life | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years |
| Risk free rate | 10.80% | 12.74% | 12.03% | 10.17% | 10.17% | 7.68%-8.44% |
| Expected dividend yield | 1.70% | 4.80% | 4.80% | 4.80% | 4.80% | 5.66% |

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

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23.2. Post-employment benefits

The Group operates a private medical insurance scheme for its employees which require the eligible employees to pay fixed monthly contributions. In accordance with regulation of the Brazilian law, eligible employees with greater than ten years' service acquire the right to remain in the plan following retirement or termination of employment, generating a post-employment commitment for the Group. Ex-employees remaining in the plan will be liable for paying the full cost of their continued scheme membership. The present value of actuarial liabilities in 30 June 2021 is US\$1.7 million (R\$8.7 million) (2020: US\$1.6 million (R\$8.5 million). The future actuarial liability for the Group relates to the potential increase in plan costs resulting from additional claims as a result of the expanded membership of the scheme.

Actuarial assumptions

The calculation of the liability generated by the post-employment commitment involves actuarial assumptions. The following are the principal actuarial assumptions at the reporting date:

Economic and financial assumptions

| | 30/06/2021 | 31/12/2020 |
|---|---|------------|
| Annual interest rate | 7.90% | 7.90% |
| Estimated inflation rate in the long-term | 3.50% | 3.50% |
| Aging factor | Based on the experience of Wilson Sons ⁽¹⁾ Based on the experience of Wilson Sons ⁽¹⁾ | |
| Health care cost trend rate | 6.09% p.a. | 6.09% p.a. |

(¹) The amount of current contributions of both retirees and medical costs used in the actuarial valuation, in monthly amounts per health care provider, may vary between R\$117.06 and R\$12,036.51 (absolute value).

Biometric and demographic assumptions

| | 30/06/2021 | 31/12/2020 |
|--|----------------------------------|----------------------------------|
| Employee turnover | 21.27% | 21.27% |
| Mortality table | AT-2000 | AT-2000 |
| Disability table | Álvaro Vindas | Álvaro Vindas |
| Retirement age | 100% at 62 | 100% at 62 |
| Employees who opt to keep the health plan after retirement and termination | 23% | 23% |
| Family composition before retirement: | | |
| Probability of marriage | 80% of the participants | 80% of the participants |
| Age difference for active participants | Man 3 years older than the woman | Man 3 years older than the woman |
| Family composition before retirement | Composition of the family group | Composition of the family group |

Sensitivity analysis

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

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|--|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| CiPBO* - Discount rate + 0.5% | (233) | (225) | (1,167) | (1,167) |
| CiPBO - Discount rate - 0.5% | 271 | 260 | 1,353 | 1,353 |
| CiPBO - Health Care Cost Trend Rate + 0.5% | 274 | 264 | 1,371 | 1,371 |
| CiPBO - Health Care Cost Trend Rate - 0.5% | (238) | (229) | (1,191) | (1,191) |
| CiPBO - Aging factor + 0.5% | 157 | 151 | 786 | 786 |
| CiPBO - Aging factor - 0.5% | (157) | (151) | (786) | (786) |

*CiPBO means Change in Projected Benefit Obligation.

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24. Equity

Share Capital

| | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|---|--------------------|--------------------|-------------------|-------------------|
| 72,859,960 (2020: 71,736,110) common shares issued and fully paid | 10,102 | 9,971 | 27,781 | 27,099 |

In 2021, eligible members exercised their options and acquired 1,123,850 shares via Brazilian Depositary Receipts ("BRD"), increasing the Company's capital and share premium by US\$0.13 million (R\$0.7 million) and US\$6.7 million (R\$34.9 million) respectively.

In 2020, eligible members also exercised their options and acquired 300,000 shares via Brazilian Depositary Receipts ("BRD"), increasing the Company's capital and share premium by US\$0.03 million (R\$0.1 million) and US\$2.3 million (R\$9.2 million), respectively.

Earnings per share

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

| | 30/06/2021 US\$ | 30/06/2020 US\$ | 30/06/2021 R\$ | 30/06/2020 R\$ |
|--|--------------------|--------------------|-------------------|-------------------|
| Profit (loss) for the period attributable to owners of the Company | 26,654 | (2,526) | 142,554 | (6,601) |
| Weighted average number of common shares | 72,402,775 | 71,536,060 | 72,402,775 | 71,536,060 |
| Basic earnings (loss) per share (cents per share) | 36.81 | (3.53) | 196.89 | (9.23) |
| Weighted average number of common shares | 74,203,933 | 73,963,600 | 74,203,933 | 73,963,600 |
| Diluted earnings (loss) per share (cents per share) | 35.92 | (3.42) | 192.11 | (8.93) |

Capital reserves

The capital reserves arise principally from transfers from revenue which in prior periods were required by law to be transferred to capital reserves and other profits not available for distribution, share premium on incoming IPO issues and gains/losses on purchase and sale of non-controlling interest.

Profit reserve

An amount equal to 5% of the Company's net profit for the current year is to be credited to a retained earnings account to be called "profit reserve" until such account equals 20% of the Company's paid up share capital.

Additional paid in capital

The additional paid in capital arises from purchase of non-controlling interests in Brasco, sales of shares to non-controlling interests of Tecon Salvador S.A. in 2011 and the purchase of non-controlling interests in Tecon Salvador S.A. in 2016.

Translation reserve

The translation reserve arises from exchange differences on the translation of operations with a functional currency other than the US Dollar.

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25. Subsidiaries

Details of the Company's subsidiaries and other entities and operations under its control at the end of the reporting period are as follows:

| | Place of incorporation and operation | Proportion of ownership interest | |
|--|--|----------------------------------|------------|
| | | 30/06/2021 | 31/12/2020 |
| Holding companies | | | |
| Wilson Sons Holdings Brasil S.A. | Brazil | 100% | 100% |
| WS Participaciones S.A. | Uruguay | 100% | 100% |
| Towage | | | |
| Saveiros Camuyrano Serviços Marítimos S.A. ⁽¹⁾ | Brazil | - | 100% |
| Shipyards | | | |
| Wilson, Sons Shipping Services Ltda. ⁽²⁾ | Brazil | 100% | 100% |
| Wilson, Sons Estaleiros Ltda. | Brazil | 100% | 100% |
| Shipping agency | | | |
| Wilson, Sons Agência Marítima Ltda. ⁽²⁾ | Brazil | - | 100% |
| Dock Market Soluções Ltda | Brazil | 90% | 90% |
| Logistics | | | |
| Wilson Sons Terminais e Logística Ltda. ^(3 - 4) | Brazil | 100% | 100% |
| EADI Santo André Terminal de Carga Ltda. ⁽⁴⁾ | Brazil | - | 100% |
| Allink Transportes Internacionais Ltda. ⁽⁵⁾ | Brazil | 50% | 50% |
| Offshore support bases and Towage | | | |
| Wilson Sons Serviços Marítimos Ltda. ⁽¹⁾ | Brazil | 100% | 100% |
| Container terminal | | | |
| Tecon Rio Grande S.A. | Brazil | 100% | 100% |
| Tecon Salvador S.A. | Brazil | 100% | 100% |
| Wilport Operadores Portuários Ltda. ⁽³⁾ | Brazil | - | 100% |

(1) In January 2021 the subsidiary Saveiros, Camuyrano Serviços Marítimos S.A. was merged into Wilson, Sons Serviços Marítimos Ltda.

(2) In January 2021 the subsidiary Wilson, Sons Agência Marítima Ltda was merged into Wilson, Sons Shipping Services Ltda.

(3) In January 2021 the subsidiary Wilport Operadores Portuários Ltda was merged into Wilson, Sons Logística Ltda, and then the name of this subsidiary was changed to Wilson, Sons Terminais e Logística Ltda.

(4) In January 2021 the subsidiary Eadi Santo André Terminais de Carga Ltda was merged into Wilson, Sons Terminais e Logística Ltda.

(5) In January 2021 the subsidiary Allink Services e Gerenciamento de Cargas Ltda was merged into Allink Transportes Internacionais Ltda.

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26. Joint ventures and joint operations

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

| | Place of incorporation and operation | Proportion of ownership interest | |
|--|--------------------------------------|----------------------------------|------------|
| | | 30/06/2021 | 31/12/2020 |
| Towage | | | |
| Consórcio de Rebocadores Baía de São Marcos ⁽¹⁾ | Brazil | 50% | 50% |
| Offshore support vessels | | | |
| Wilson, Sons Ultratug Participações S.A. ⁽²⁾ | Brazil | 50% | 50% |
| Atlantic Offshore S.A. ⁽³⁾ | Panamá | 50% | 50% |
| Logistics | | | |
| Porto Campinas, Logística e Intermodal Ltda | Brazil | 50% | 50% |

(1) Joint operation.

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

(3) Atlantic Offshore S.A. controls South Patagonia S.A. This Company is indirect joint venture of Wilson Sons Limited.

26.1. Joint operations

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

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|----------------------|--------------------------|------------|------------------------|------------|--------------------------|------------|------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Income | - | 1,168 | - | 4,155 | - | 6,261 | - | 19,545 |
| Expenses | (350) | (832) | (502) | (1,995) | (1,831) | (4,500) | (2,670) | (9,546) |
| Net income (expense) | (350) | 336 | (502) | 2,160 | (1,831) | 1,761 | (2,670) | 9,999 |

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|-----------------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Intangible assets | - | 2 | - | 10 |
| Property, plant & equipment | 1,450 | 1,842 | 7,253 | 9,571 |
| Inventories | 167 | 186 | 835 | 967 |
| Trade and other trade receivables | 1,014 | 990 | 5,072 | 5,145 |
| Cash and cash equivalents | 1,221 | 1,408 | 6,107 | 7,319 |
| Total assets | 3,852 | 4,428 | 19,267 | 23,012 |
| Trade and other trade payables | (3,721) | (4,237) | (18,610) | (22,020) |
| Deferred tax liabilities | (131) | (191) | (657) | (992) |
| Total liabilities | (3,852) | (4,428) | (19,267) | (23,012) |

26.2. Joint ventures

The following amounts are not consolidated in the Group's financial information as they are considered as joint ventures. The Group's interests on joint ventures are equity accounted.

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| Statements of profit or loss | Three-month period ended | | | | | | | |
|---|--|---------------------------|-------------------------------|----------|--|---------------------------|-------------------------------|----------|
| | 30/06/2021 | | | | 30/06/2020 | | | |
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Revenue | 25,879 | (2,432) | - | 23,447 | 27,918 | (2,684) | - | 25,234 |
| Raw materials and consumable used | (2,222) | - | - | (2,222) | (1,529) | - | - | (1,529) |
| Employee benefits expense | (8,994) | - | - | (8,994) | (8,346) | - | - | (8,346) |
| Right-of-use | (127) | - | 2,489 | 2,362 | (2,576) | - | 2,450 | (126) |
| Depreciation and amortisation expenses | (9,846) | - | - | (9,846) | (10,151) | - | - | (10,151) |
| Other operating expenses | (4,234) | 2,432 | (1,913) | (3,715) | (3,946) | 2,684 | (1,847) | (3,109) |
| Gain on disposal of property, plant and equipment | 1 | - | - | 1 | - | - | - | - |
| Results from operating activities | 457 | - | 576 | 1,033 | 1,370 | - | 603 | 1,973 |
| Finance income | 33 | - | - | 33 | (181) | - | - | (181) |
| Interest on lease liabilities | (51) | - | 37 | (14) | (133) | - | 134 | 1 |
| Finance costs | (3,760) | - | - | (3,760) | (4,002) | - | - | (4,002) |
| Exchange gain (loss) on translation | 11,901 | - | (655) | 11,246 | (3,390) | - | (2,670) | (6,060) |
| Profit (loss) before tax | 8,580 | - | (42) | 8,538 | (6,336) | - | (1,933) | (8,269) |
| Income tax expense | (7,160) | - | (96) | (7,256) | 4,076 | - | (115) | 3,961 |
| Profit (loss) for the period | 1,420 | - | (138) | 1,282 | (2,260) | - | (2,048) | (4,308) |
| Participation | 50% | - | - | - | 50% | - | - | - |
| Equity result | 710 | - | - | - | (1,130) | - | - | - |

| Statements of profit or loss | Six-month period ended | | | | | | | |
|---|--|---------------------------|-------------------------------|----------|--|---------------------------|-------------------------------|----------|
| | 30/06/2021 | | | | 30/06/2020 | | | |
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Revenue | 55,389 | (5,087) | - | 50,302 | 60,025 | (5,369) | - | 54,656 |
| Raw materials and consumable used | (4,272) | - | - | (4,272) | (3,498) | - | - | (3,498) |
| Employee benefits expense | (18,638) | - | - | (18,638) | (17,800) | - | - | (17,800) |
| Right-of-use | (5,228) | - | 4,977 | (251) | (5,222) | - | 4,977 | (245) |
| Depreciation and amortisation expenses | (19,355) | - | - | (19,355) | (20,529) | - | - | (20,529) |
| Other operating expenses | (9,082) | 5,087 | (3,763) | (7,758) | (7,652) | 5,369 | (4,166) | (6,449) |
| Gain on disposal of property, plant and equipment | 1 | - | - | 1 | - | - | - | - |
| Results from operating activities | (1,185) | - | 1,214 | 29 | 5,324 | - | 811 | 6,135 |
| Finance income | 48 | - | - | 48 | (359) | - | - | (359) |
| Interest on lease liabilities | (127) | - | 111 | (16) | (347) | - | 323 | (24) |
| Finance costs | (7,821) | - | - | (7,821) | (8,271) | - | - | (8,271) |
| Exchange gain (loss) on translation | 4,217 | - | (685) | 3,532 | (21,605) | - | (70) | (21,675) |
| Loss before tax | (4,868) | - | 640 | (4,228) | (25,258) | - | 1,064 | (24,194) |
| Income tax expense | 3,368 | - | (207) | 3,161 | 14,834 | - | (177) | 14,657 |
| Loss for the period | (1,500) | - | 433 | (1,067) | (10,424) | - | 887 | (9,537) |
| Participation | 50% | - | - | - | 50% | - | - | - |
| Equity result | (750) | - | - | - | (5,212) | - | - | - |

(1) The joint venture profit of the period is positively impacted by the elimination of profit margin on construction/dry-docking contracts amounting to US\$2,411 (R\$13,055) (2020: US\$928 (R\$4,140)). Without this impact, the joint venture result of the period would have been a loss of US\$4,269 (R\$23,055) (2020: 9,092 (R\$41,820)).

(2) Elimination related to the chartering of Atlantic Offshore S.A. vessels by Wilson, Sons Offshore S.A. and that entered for the latter company, within the scope of IFRS 16.

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| Statements of profit or loss | Three-month period ended | | | | | | | |
|---|--|---------------------------|-------------------------------|----------|--|---------------------------|-------------------------------|----------|
| | 30/06/2021 | | | | 30/06/2020 | | | |
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Revenue | 136,784 | (12,878) | - | 123,906 | 150,275 | (14,473) | - | 135,802 |
| Raw materials and consumable used | (11,701) | - | - | (11,701) | (8,250) | - | - | (8,250) |
| Employee benefits expense | (47,067) | - | - | (47,067) | (44,850) | - | - | (44,850) |
| Right-of-use | 202 | - | 13,176 | 13,378 | (14,384) | - | 13,206 | (1,178) |
| Depreciation and amortisation expenses | (52,122) | - | - | (52,122) | (54,713) | - | - | (54,713) |
| Other operating expenses | (22,951) | 12,878 | (10,117) | (20,190) | (21,458) | 14,473 | (9,946) | (16,931) |
| Gain on disposal of property, plant and equipment | 3 | - | - | 3 | - | - | - | - |
| Results from operating activities | 3,148 | - | 3,059 | 6,207 | 6,620 | - | 3,260 | 9,880 |
| Finance income | 180 | - | - | 180 | (452) | - | - | (452) |
| Interest on lease liabilities | (273) | - | 197 | (76) | (717) | - | 721 | 4 |
| Finance costs | (19,869) | - | - | (19,869) | (21,531) | - | - | (21,531) |
| Exchange gain (loss) on translation | 63,290 | - | (3,833) | 59,457 | (17,571) | - | (13,762) | (31,333) |
| Profit (loss) before tax | 46,476 | - | (577) | 45,899 | (33,651) | - | (9,781) | (43,432) |
| Income tax expense | (38,504) | - | (508) | (39,012) | 21,611 | - | (621) | 20,990 |
| Profit (loss) for the period | 7,972 | - | (1,085) | 6,887 | (12,040) | - | (10,402) | (22,442) |
| Participation | 50% | - | - | - | 50% | - | - | - |
| Equity result | 3,986 | - | - | - | (6,020) | - | - | - |

| Statements of profit or loss | Six-month period ended | | | | | | | |
|---|--|---------------------------|-------------------------------|-----------|--|---------------------------|-------------------------------|-----------|
| | 30/06/2021 | | | | 30/06/2020 | | | |
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Revenue | 298,362 | (27,414) | - | 270,948 | 293,799 | (26,448) | - | 267,351 |
| Raw materials and consumable used | (22,968) | - | - | (22,968) | (17,048) | - | - | (17,048) |
| Employee benefits expense | (99,823) | - | - | (99,823) | (86,872) | - | - | (86,872) |
| Right-of-use | (28,142) | - | 26,795 | (1,347) | (25,680) | - | 24,470 | (1,210) |
| Depreciation and amortisation expenses | (104,147) | - | - | (104,147) | (100,922) | - | - | (100,922) |
| Other operating expenses | (49,092) | 27,414 | (20,234) | (41,912) | (38,111) | 26,448 | (20,234) | (31,897) |
| Gain on disposal of property, plant and equipment | 3 | - | - | 3 | - | - | - | - |
| Results from operating activities | (5,807) | - | 6,561 | 754 | 25,166 | - | 4,236 | 29,402 |
| Finance income | 258 | - | - | 258 | (1,641) | - | - | (1,641) |
| Interest on lease liabilities | (687) | - | 600 | (87) | (1,666) | - | 1,558 | (108) |
| Finance costs | (42,120) | - | - | (42,120) | (40,580) | - | - | (40,580) |
| Exchange gain (loss) on translation | 21,188 | - | (3,871) | 17,317 | (101,626) | - | (35) | (101,661) |
| Profit (loss) before tax | (27,168) | - | 3,290 | (23,878) | (120,347) | - | 5,759 | (114,588) |
| Income tax expense | 18,892 | - | (1,118) | 17,774 | 70,627 | - | (904) | 69,723 |
| Loss for the period | (8,276) | - | 2,172 | (6,104) | (49,720) | - | 4,855 | (44,865) |
| Participation | 50% | - | - | - | 50% | - | - | - |
| Equity result | (4,138) | - | - | - | (24,860) | - | - | - |

(*) Elimination related to the chartering of Atlantic Offshore S.A. vessels by Wilson, Sons Offshore S.A. and that entered for the latter company, within the scope of IFRS 16.

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| Statements of financial position | 30/06/2021 | | | | 30/06/2020 | | | |
|-------------------------------------|--|---------------------------|-------------------------------|----------------|--|---------------------------|-------------------------------|----------------|
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Right-of-use | 4,563 | - | (4,191) | 372 | 15,036 | - | (14,143) | 893 |
| Property, plant and equipment | 555,504 | - | - | 555,504 | 578,803 | - | - | 578,803 |
| Long-term investment | 2,146 | - | - | 2,146 | 2,103 | - | - | 2,103 |
| Other assets | 9,955 | - | - | 9,955 | 10,871 | - | - | 10,871 |
| Trade and other trade receivables | 35,929 | (212) | - | 35,717 | 33,065 | (495) | - | 32,570 |
| Derivative | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 28,848 | - | - | 28,848 | 23,341 | - | - | 23,341 |
| Total assets | 636,945 | (212) | (4,191) | 632,542 | 663,219 | (495) | (14,143) | 648,581 |
| Bank loans | 419,731 | - | - | 419,731 | 433,190 | - | - | 433,190 |
| Lease liability | 4,765 | - | (4,624) | 141 | 15,273 | - | (15,030) | 243 |
| Other non-current liabilities | 23,818 | - | - | 23,818 | 38,739 | - | - | 38,739 |
| Trade and other trade payables | 111,082 | (212) | - | 110,870 | 96,394 | (495) | - | 95,899 |
| Equity | 77,549 | - | 433 | 77,982 | 79,623 | - | 887 | 80,510 |
| Total liabilities and equity | 636,945 | (212) | (4,191) | 632,542 | 663,219 | (495) | (14,143) | 648,581 |

| Statements of financial position | 30/06/2021 | | | | 30/06/2020 | | | |
|-------------------------------------|--|---------------------------|-------------------------------|------------------|--|---------------------------|-------------------------------|------------------|
| | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined | Investee's adjusted profit or loss | Pro forma eliminations | Eliminations from IFRS 16* | Combined |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Right-of-use | 22,825 | - | (20,958) | 1,867 | 82,337 | - | (77,450) | 4,887 |
| Property, plant and equipment | 2,778,744 | - | - | 2,778,744 | 3,169,525 | - | - | 3,169,525 |
| Long-term investment | 10,735 | - | - | 10,735 | 11,516 | - | - | 11,516 |
| Other assets | 49,797 | - | - | 49,797 | 59,530 | - | - | 59,530 |
| Trade and other trade receivables | 179,724 | (1,060) | - | 178,664 | 181,064 | (2,711) | - | 178,353 |
| Derivative | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 144,301 | - | - | 144,301 | 127,816 | - | - | 127,816 |
| Total assets | 3,186,126 | (1,060) | (20,958) | 3,164,108 | 3,631,788 | (2,711) | (77,450) | 3,551,627 |
| Bank loans | 2,099,578 | - | - | 2,099,578 | 2,372,148 | - | - | 2,372,148 |
| Lease liability | 23,835 | - | (23,130) | 705 | 83,635 | - | (82,305) | 1,330 |
| Other non-current liabilities | 119,142 | - | - | 119,142 | 212,135 | - | - | 212,135 |
| Trade and other trade payables | 559,009 | (1,060) | - | 557,949 | 527,854 | (2,711) | - | 525,143 |
| Equity | 384,562 | - | 2,172 | 386,734 | 436,016 | - | 4,855 | 440,871 |
| Total liabilities and equity | 3,186,126 | (1,060) | (20,958) | 3,164,108 | 3,631,788 | (2,711) | (77,450) | 3,551,627 |

(*) Elimination related to the chartering of Atlantic Offshore S.A. vessels by Wilson, Sons Offshore S.A. and that entered for the latter company, within the scope of IFRS 16.

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We have not separately disclosed all material Joint Ventures because they belong to the same economic group and are managed on a unified basis. Wilson Sons Limited holds a non-controlling interest in Wilson, Sons Ultratug Participações S.A and Atlantic Offshore S.A.

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

Guarantees

Loan agreements of Wilson, Sons Ultratug Participações S.A. and subsidiaries with the BNDES are guaranteed by a lien on the financed supply vessels and in the majority of the contracts a corporate guarantee from both Wilson Sons Holdings Brasil Ltda. and Remolcadores Ultratug Ltda, each guaranteeing 50% of its subsidiary's debt balance with the BNDES. The loan agreements, equivalent to 50%, amount to US\$171.0 million (R\$855.2 million) (2020: US\$170.7 million (R\$887.2 million)).

Wilson, Sons Ultratug Participações S.A. subsidiary's loan agreement with Banco do Brasil is guaranteed by a pledge on the financed offshore support vessels. The security package also includes a standby letter of credit issued by Banco de Crédito e Inversiones - Chile for part of the debt balance, assignment of Petrobras' long-term contracts and a corporate guarantee issued by Inversiones Magallanes Ltda - Chile. A cash reserve account of US\$2.1 million (R\$10.7 million), classified as a long-term investment is required to be maintained until full repayment of the loan agreement. The loan agreements, equivalent to 50%, amount to US\$25.4 million (R\$127.2 million) (2020: US\$25.7 million (R\$133.7 million)).

The loan agreements for Atlantic Offshore from Deutsche Verkehrs-Bank "DVB" and Norddeutsche Landesbank Girozentrale Trade "Nord/LB" for the financing of the offshore support vessels is guaranteed by a pledge on the vessels, the shares of Atlantic Offshore and a corporate guarantee for half of the credit from Wilson Sons Holdings Brasil Ltda. and Remolcadores Ultratug Ltda, which is the partner in the business, guarantee the other half of the loans. The loan agreements, equivalent to 50%, amount to US\$10.2 million (R\$51.1 million) (2020: US\$10.7 million (R\$55.6 million)).

Covenants

On 30 June 2021 Wilson, Sons Ultratug Participações S.A.'s subsidiary was not in compliance with one of the covenants' ratios. On the assumption of a non-attainment, the joint venture's subsidiary has to be capitalized within a year in the amount necessary to reach the ratio (US\$6.0 million (R\$30.0 million)). Since there was already the financial contribution through an advance for future capital increase in the 1st half 2021, management's understanding is that there is no breach of a clause or event that prompts negotiation or a waiver letter from Banco do Brasil. There are no other capital commitments for any of the joint ventures or joint operations.

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

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Provisions for tax, labour and civil risks

In its ordinary course of business in Brazil, Wilson, Sons Ultratug Offshore S.A. (WSUT) remains exposed to numerous local legal claims. It is the WSUT policy to vigorously contest such claims, many of which appear to have little substance in merit, and to manage such claims through its legal counsel.

WSUT booked provisions related to labour claims amounting to US\$0.2 million (R\$0.8 million) (2020: US\$0.1 million (R\$0.4 million)), whose probability of loss was estimated as probable.

In addition to the cases for which WSUT booked the provision, there are other tax, civil and labour disputes amounting to US\$6.3 million (R\$31.4 million) (2020: US\$6.1 million (R\$31.8 million)) whose probability of loss was estimated by the legal counsel as possible.

The breakdown of possible losses is described as follows:

| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
|---------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Labour claims | 5,589 | 5,611 | 27,956 | 29,158 |
| Tax cases | 677 | 505 | 3,388 | 2,624 |
| Civil claims | 4 | 4 | 20 | 20 |
| Total | 6,270 | 6,120 | 31,364 | 31,802 |

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26.3. Investment in joint ventures

The investments accounted for by the equity accounting method are shown as follows:

| 30/06/2021 | | | | | | | | | |
|--|------------------|------------------------|---------------|--|---|------------------------------------|------------------------|--------------------------|--|
| Currency | Number of shares | Ownership interest - % | Share capital | Investee's adjusted shareholders' equity | Elimination of profit on Construction Contracts | Investee's adjusted profit or loss | Equity in subsidiaries | Book value of investment | |
| Wilson, Sons Ultratug Participações S.A. | US\$ 102,469,250 | 50.00 | 40,138 | 67,438 | (26,001) | (2,964) | (1,482) | 20,718 | |
| Atlantic Offshore S.A. | US\$ 1,000 | 50.00 | 8,010 | 9,687 | | 1,488 | 744 | 4,844 | |
| Porto Campinas Logística e Intermodal Ltda | US\$ 6,285,862 | 50.00 | 1,853 | 424 | - | (24) | (12) | 212 | |
| Total | | | | 77,549 | (26,001) | (1,500) | (750) | 25,774 | |
| Wilson, Sons Ultratug Participações S.A. | R\$ 102,469,250 | 50.00 | 102,469 | 333,983 | (130,063) | (16,109) | (8,055) | 101,960 | |
| Atlantic Offshore S.A. | R\$ 1,000 | 50.00 | 18,345 | 48,456 | - | 7,966 | 3,984 | 24,228 | |
| Porto Campinas Logística e Intermodal Ltda | R\$ 6,285,862 | 50.00 | 6,286 | 2,123 | - | (133) | (67) | 1,061 | |
| Total | | | | 384,562 | (130,063) | (8,276) | (4,138) | 127,249 | |
| 31/12/2020 | | | | | | | | | |
| Currency | Number of shares | Ownership interest - % | Share capital | Investee's adjusted shareholders' equity | Elimination of profit on Construction Contracts | Investee's adjusted profit or loss | Equity in subsidiaries | Book value of investment | |
| Wilson, Sons Ultratug Participações S.A. | US\$ 102,469,250 | 50.00 | 40,138 | 71,844 | (27,890) | (12,160) | (6,080) | 21,977 | |
| Atlantic Offshore S.A. | US\$ 1,000 | 50.00 | 8,010 | 7,983 | - | 3,924 | 1,962 | 3,991 | |
| Porto Campinas Logística e Intermodal Ltda | US\$ 6,285,862 | 50.00 | 1,853 | 434 | - | (48) | (24) | 217 | |
| Total | | | | 80,261 | (27,890) | (8,284) | (4,142) | 26,185 | |
| Wilson, Sons Ultratug Participações S.A. | R\$ 102,469,250 | 50.00 | 102,469 | 373,353 | (144,936) | (58,331) | (29,166) | 114,208 | |
| Atlantic Offshore S.A. | R\$ 1,000 | 50.00 | 18,345 | 41,486 | - | 20,151 | 10,076 | 20,741 | |
| Porto Campinas Logística e Intermodal Ltda | R\$ 6,285,862 | 50.00 | 6,286 | 2,258 | - | (244) | (122) | 1,127 | |
| Total | | | | 417,097 | (144,936) | (38,424) | (19,212) | 136,076 | |

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The reconciliation of the investment in joint ventures' balance, including the impact of profit recognised by joint ventures:

| | Investments | |
|--|-------------|----------|
| | US\$ | R\$ |
| At 1 January 2020 | 30,334 | 122,267 |
| Share of result of joint ventures considering the elimination of profit margin on construction/dry-docking contracts | (4,142) | (19,212) |
| Capital increase | 23 | 121 |
| Elimination on construction contracts | 45 | 234 |
| Post-employment benefits | 24 | 121 |
| Derivatives | (36) | (91) |
| Foreign currency loss in respect of translation into Brazilian Reais | (63) | 32,636 |
| At 31 December 2020 | 26,185 | 136,076 |
| Share of result of joint ventures considering the elimination of profit margin on construction/dry-docking contracts | (750) | (4,138) |
| Elimination on construction contracts | 16 | 85 |
| Derivatives | 106 | 548 |
| Foreign currency loss in respect of translation into Brazilian Reais | 217 | (5,322) |
| At 30 June 2021 | 25,774 | 127,249 |

27. Financial instruments and risk assessment

a. Capital risk management

The Group manages its capital to ensure that its entities will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Group's capital structure consists of debt (which includes the borrowings disclosed in Note 19), cash and cash equivalents and short-term investments disclosed in Note 18, and equity attributable to owners of the parent company comprising issued capital, reserves and retained earnings as disclosed in Note 24.

b. Categories of financial instruments

| | Fair value | | Book value | |
|--|------------|------------|------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| | US\$ | US\$ | US\$ | US\$ |
| Financial assets classified as amortised cost | | | | |
| Cash and bank | 27,991 | 5,742 | 27,991 | 5,742 |
| Short-term Investments | - | 39,590 | - | 39,590 |
| Deposit certificates | 105 | 5,938 | 105 | 5,938 |
| Operational trade receivables | 49,583 | 38,767 | 49,583 | 38,767 |
| Intergroup loans | 30,634 | 30,460 | 30,634 | 30,460 |
| Total financial assets - amortised cost | 108,313 | 120,497 | 108,313 | 120,497 |
| Financial assets classified as FVPL | | | | |
| Fixed income investments | 25,388 | 47,057 | 25,388 | 47,057 |
| Total financial assets - FVPL | 25,388 | 47,057 | 25,388 | 47,057 |
| Total | 133,701 | 167,554 | 133,701 | 167,554 |
| Financial liabilities classified as amortised cost | | | | |
| Bank loans | 313,784 | 342,562 | 313,901 | 342,661 |
| Trade payables | 19,071 | 16,039 | 19,071 | 16,039 |
| Lease liabilities | 204,875 | 157,894 | 204,875 | 157,894 |
| Total financial instruments - amortised cost | 537,730 | 516,495 | 537,847 | 516,594 |
| Total | 537,730 | 516,495 | 537,847 | 516,594 |

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| | Fair value | | Book value | |
|--|------------|------------|------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| | R\$ | R\$ | R\$ | R\$ |
| Financial assets classified as amortised cost | | | | |
| Cash and bank | 140,017 | 29,839 | 140,017 | 29,839 |
| Short-term Investments | - | 205,735 | - | 205,735 |
| Deposit certificates | 527 | 30,859 | 527 | 30,859 |
| Operational trade receivables | 248,026 | 201,461 | 248,026 | 201,461 |
| Intergroup loans | 153,237 | 158,289 | 153,237 | 158,289 |
| Total financial assets - amortised cost | 541,807 | 626,183 | 541,807 | 626,183 |
| Financial assets classified as FVPL | | | | |
| Fixed income investments | 126,994 | 244,543 | 126,994 | 244,543 |
| Total financial assets - FVPL | 126,994 | 244,543 | 126,994 | 244,543 |
| Total | 668,801 | 870,726 | 668,801 | 870,726 |
| Financial liabilities classified as amortised cost | | | | |
| Bank loans | 1,569,609 | 1,790,583 | 1,570,196 | 1,780,707 |
| Trade payables | 95,397 | 83,349 | 95,397 | 83,349 |
| Lease liabilities | 1,024,826 | 820,527 | 1,024,826 | 820,527 |
| Total financial instruments - amortised cost | 2,689,832 | 2,694,459 | 2,690,419 | 2,684,583 |
| Total | 2,689,832 | 2,694,459 | 2,690,419 | 2,684,583 |

c. Financial risk management objectives

The Group monitors and manages financial risks related to the operations. A financial risk committee meets regularly to assess financial risks and decide mitigation based on guidelines stated in the Group's financial risk policy.

These risks include market risk, credit risk and liquidity risk. The primary objective is to minimise exposure to those risks by using financial instruments and by assessing and controlling the credit and liquidity risks. The Group may use derivatives and other financial instruments for hedging purposes only.

d. Foreign currency risk management

The operating cash flows are exposed to currency fluctuations because they are denominated partially in Brazilian Real. These proportions vary according to the characteristics of each business.

Cash flows from investments in fixed assets are denominated partly in Brazilian Real. These investments are subject to currency fluctuations between the moment when those goods or services are acquired and the actual payment date. The resources and their application are monitored with purpose of matching the currency cash flows and payment dates.

In general terms, the Group seeks to neutralise the currency risk of operating cash flows by matching revenues and expenses. Furthermore, the Group seeks to generate an operating cash surplus in the same currency in which the debt service of each business is denominated.

The Group has part of its debt and part of its cash and cash equivalents denominated in Brazilian Real.

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The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

| | Assets | | Liabilities | |
|-----------------------------|------------|------------|-------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| | US\$ | US\$ | US\$ | US\$ |
| Amounts denominated in Real | 136,133 | 156,099 | 365,784 | 354,244 |

| | Assets | | Liabilities | |
|-----------------------------|------------|------------|-------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| | R\$ | R\$ | R\$ | R\$ |
| Amounts denominated in Real | 680,965 | 811,200 | 1,829,727 | 1,840,902 |

Foreign currency sensitivity analysis

The sensitivity analysis presented in the following sections estimates the impacts of the Brazilian Real devaluation against the US Dollar based on the position at 30 June 2021. Three exchange rate scenarios are contemplated: the likely scenario (Probable) and two scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate. The Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

| 30/06/2021 | | | | | | |
|-------------------------------|------|-------------------------|------------------|-----------------------|-------------------------|-----------------------|
| Exchange rates ⁽¹⁾ | | | | | | |
| Probable scenario | | Possible scenario (25%) | | Remote scenario (50%) | | |
| R\$5.0400 / US\$1.00 | | R\$6.3000 / US\$1.00 | | R\$7.5600 / US\$1.00 | | |
| Operation | Risk | Amount US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 136,133 | Exchange effects | (1,021) | (28,043) | (46,058) |
| Total liabilities | R\$ | 365,784 | Exchange effects | 2,743 | 75,352 | 123,757 |
| | | | | 1,722 | 47,309 | 77,699 |

| Operation | Risk | Amount R\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
|-------------------|------|------------|------------------|-------------------|-------------------------|-----------------------|
| Total assets | R\$ | 680,965 | Exchange effects | (5,107) | (140,279) | (230,393) |
| Total liabilities | R\$ | 1,829,727 | Exchange effects | 13,723 | 376,924 | 619,057 |
| | | | | 8,616 | 236,645 | 388,664 |

⁽¹⁾ Information source: Focus BACEN, report from 2 July 2021.

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| 31/12/2020 | | | | | | |
|-------------------------------|------|-------------------------|------------------|-----------------------|-------------------------------|-----------------------------|
| Exchange rates ⁽¹⁾ | | | | | | |
| Probable scenario | | Possible scenario (25%) | | Remote scenario (50%) | | |
| R\$5.2000 / US\$1.00 | | R\$6.5000 / US\$1.00 | | R\$7.8000 / US\$1.00 | | |
| Operation | Risk | Amount US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 156,099 | Exchange effects | (99) | (31,299) | (52,099) |
| Total liabilities | R\$ | 354,244 | Exchange effects | 225 | 71,029 | 118,231 |
| | | | | 126 | 39,730 | 66,132 |
| Operation | Risk | Amount R\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 811,200 | Exchange effects | (515) | (162,652) | (270,743) |
| Total liabilities | R\$ | 1,840,902 | Exchange effects | 1,168 | 369,115 | 614,413 |
| | | | | 653 | 206,463 | 343,670 |

⁽¹⁾ Information source: Focus BACEN, report from 8 January 2021.

Derivative financial instruments

The Group may enter into derivative contracts to manage risks arising from exchange rate fluctuations, all such transactions are carried out within the guidelines set by the Financial Risk Committee.

Group uses exchange rate hedges to limit its exposure that may result from the variation of the U.S. Dollar against the Brazilian Real or other exchange rates and there are no current outstanding contracts.

e. Interest rate risk management

The Group holds most of its debts linked to fixed rates and most of which are with the FMM (Merchant Marine Fund).

Other loans exposed to floating rates are as follows:

- TJLP (Brazilian Long Term Interest Rate) for Brazilian Real-denominated funding through Finame credit line to port operations and Logistics operations;
- DI (Brazilian Interbank Interest Rate) for Brazilian Real-denominated funding in logistics operations; and
- IPCA (Brazilian National Consumer Prices) for Brazilian Real-denominated funding in port operations and offshore support bases.

The Group's Brazilian 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 short-term time deposits.

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Interest rate sensitivity analysis

The Group does not currently fair value account for financial assets or liabilities through profit or loss. Therefore, a change in interest rates at the reporting date would not change the profit or loss result. The Group uses the Brazilian Central Bank's "Focus" BM&F (*Bolsa de Mercadorias e Futuros*), Bloomberg and Brazilian Economic and Social Development Bank (BNDES) data to estimate the probable scenarios.

The following analysis concerns a possible fluctuation of revenue or expenses linked to the transactions and scenarios shown, without considering their fair value.

| 30/06/2021 | | | | | | |
|---|--|--|-------------------|-------------------------|-----------------------|--|
| CDI ⁽¹⁾ , TJLP ⁽²⁾ , IPCA ⁽³⁾ and DI – BM&F ⁽⁴⁾ | | | | | | |
| Transaction | | | Probable scenario | Possible scenario (25%) | Remote scenario (50%) | |
| Loans – CDI | | | 6.77% | 8.46% | 10.16% | |
| Loans – TJLP | | | 4.88% | 6.10% | 7.32% | |
| Loans – IPCA | | | 8.06% | 10.08% | 12.09% | |
| Investments – CDI | | | 6.77% | 8.46% | 10.16% | |

| Transaction | Risk | Amount US\$ | Result | Probable scenario | Possible Scenario (25%) | Remote scenario (50%) |
|-------------------|------|-------------|----------|-------------------|-------------------------|-----------------------|
| Loans - CDI | CDI | 35,228 | Interest | (755) | (1,234) | (1,706) |
| Loans – TJLP | TJLP | 779 | Interest | - | (6) | (12) |
| Loans – IPCA | IPCA | 57,082 | Interest | - | (944) | (1,872) |
| Loans – Fixed | None | 220,812 | None | - | - | - |
| Total loans | | 313,901 | | (755) | (2,184) | (3,590) |
| Investments | CDI | 25,509 | Income | 2,368 | 3,259 | 4,150 |
| Total investments | | 25,509 | | 2,368 | 3,259 | 4,150 |
| Net income | | | | 1,613 | 1,075 | 560 |

| Transaction | Risk | Amount R\$ | Result | Probable scenario | Possible Scenario (25%) | Remote scenario (50%) |
|-------------------|------|------------|----------|-------------------|-------------------------|-----------------------|
| Loans - CDI | CDI | 176,220 | Interest | (3,778) | (6,174) | (8,535) |
| Loans – TJLP | TJLP | 3,898 | Interest | - | (31) | (61) |
| Loans – IPCA | IPCA | 285,538 | Interest | - | (4,724) | (9,366) |
| Loans – Fixed | None | 1,104,540 | None | - | - | - |
| Total loans | | 1,570,196 | | (3,778) | (10,929) | (17,962) |
| Investments | CDI | 127,602 | Income | 11,847 | 16,303 | 20,759 |
| Total investments | | 127,602 | | 11,847 | 16,303 | 20,759 |
| Net income | | | | 8,069 | 5,374 | 2,797 |

⁽¹⁾ Information source: B3 (Brasília Bolsa Balcão), report from 7 July 2021.

⁽²⁾ Information source: BNDES (Banco Nacional de Desenvolvimento Econômico e Social), report from 7 July 2021.

⁽³⁾ Information source: IPCA (Índice de Preços ao Consumidor Amplo), report from 7 July 2021.

⁽⁴⁾ Information source: BM&F (Bolsa de Mercadorias e Futuros), report from 6 July 2021.

The net effect was obtained by assuming a six-month period ending 30 June 2021 in which interest rates vary and all other variables are held constant. The scenarios express the difference between the weighted scenario rate and actual rate.

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| 31/12/2020 | | | | | | |
|--|--|--|--|-------------------|-------------------------|-----------------------|
| CDI ⁽¹⁾ , TJLP ⁽²⁾ , IPCA ⁽³⁾ , Libor ⁽⁴⁾ , and DI – BM&F ⁽⁵⁾ | | | | | | |
| Transaction | | | | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Loans – CDI | | | | 2.95% | 3.69% | 4.43% |
| Loans – TJLP | | | | 4.39% | 5.49% | 6.59% |
| Loans – IPCA | | | | 4.31% | 5.39% | 6.47% |
| Investments – Libor 12 | | | | 1.36% | 1.44% | 1.53% |
| Investments – CDI | | | | 2.95% | 3.69% | 4.43% |

| Transaction | Risk | Amount US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
|-------------------|-------|-------------|----------|-------------------|-------------------------|-----------------------|
| Loans - CDI | CDI | 64,439 | Interest | - | - | - |
| Loans – TJLP | TJLP | 841 | Interest | (440) | (746) | (1,050) |
| Loans – IPCA | IPCA | 55,141 | Interest | - | (6) | (12) |
| Loans – Fixed | None | 222,240 | None | - | (415) | (825) |
| Total loans | | 342,661 | | (440) | (1,167) | (1,887) |
| Investments | Libor | 39,997 | Income | - | 15 | 31 |
| Investments | CDI | 52,995 | Income | 218 | 619 | 1,020 |
| Total investments | | 92,992 | | 218 | 634 | 1,051 |
| Net income | | | | (222) | (533) | (836) |

| Transaction | Risk | Amount R\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
|-------------------|-------|------------|----------|-------------------|-------------------------|-----------------------|
| Loans - CDI | CDI | 334,868 | Interest | (2,284) | (3,875) | (5,457) |
| Loans – TJLP | TJLP | 4,369 | Interest | - | (31) | (62) |
| Loans – IPCA | IPCA | 286,552 | Interest | - | (2,155) | (4,288) |
| Loans – Fixed | None | 1,154,918 | None | - | - | - |
| Total loans | | 1,780,707 | | (2,284) | (6,061) | (9,807) |
| Investments | Libor | 207,852 | Income | - | 80 | 160 |
| Investments | CDI | 275,400 | Income | 1,130 | 3,215 | 5,299 |
| Total investments | | 483,252 | | 1,130 | 3,295 | 5,459 |
| Net income | | | | (1,154) | (2,766) | (4,348) |

⁽¹⁾ Information source: B3 (Brasília Bolsa Balcão), report from 8 January 2021.

⁽²⁾ Information source: BNDES (Banco Nacional de Desenvolvimento Econômico e Social), report from 8 January 2021.

⁽³⁾ Information source: IPCA (Índice de Preços ao Consumidor Amplo), report from 8 January 2021.

⁽⁴⁾ Information source: Bloomberg, report from 8 January 2021.

⁽⁵⁾ Information source: BM&F (Bolsa de Mercadorias e Futuros), report from 6 January 2021.

The net effect was obtained by assuming a twelve-month period ending 31 December 2020 in which interest rates vary and all other variables are held constant. The scenarios express the difference between the weighted scenario rate and actual rate.

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Derivative financial instruments

The Group may enter into derivative contracts to manage risks arising from interest rate fluctuations. All such transactions are carried out within the guidelines set by the Financial Risk Committee. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

f. Liquidity risk management

The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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 the obligations that expire, under normal and stress conditions, without causing unacceptable losses or risk damage to the reputation of the Group.

The Group ensures that it has sufficient cash reserves to meet the expected operational expenses, including financial obligations. This practice excludes the potential impact of extreme circumstances that cannot be reasonably foreseen, such as natural disasters. For these cases, it is the Company's practice to create a multidisciplinary crisis committee to address the most appropriate actions.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

| 30 June 2021 | Weighted average effective interest rate % | Less than 12 months US\$ | 1-5 years US\$ | More than 5 years US\$ | Total US\$ |
|------------------------------------|--|--------------------------------|-------------------|------------------------------|---------------|
| Variable interest rate instruments | 3.08% | 21,335 | 56,906 | 40,067 | 118,308 |
| Fixed interest rate instruments | 2.75% | 34,542 | 106,321 | 111,805 | 252,668 |
| Lease liability (IFRS 16) | 8.77% | 24,940 | 87,528 | 373,099 | 485,567 |
| | | 80,817 | 250,755 | 524,971 | 856,543 |

| 30 June 2021 | Weighted average effective interest rate % | Less than 12 months US\$ | 1-5 years US\$ | More than 5 years US\$ | Total US\$ |
|------------------------------------|--|--------------------------------|-------------------|------------------------------|---------------|
| Variable interest rate instruments | 3.08% | 106,722 | 284,655 | 200,423 | 591,800 |
| Fixed interest rate instruments | 2.75% | 172,786 | 531,839 | 559,270 | 1,263,895 |
| Lease liability (IFRS 16) | 8.77% | 124,757 | 437,831 | 1,866,318 | 2,428,906 |
| | | 404,265 | 1,254,325 | 2,626,011 | 4,284,601 |

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| 31 December 2020 | Weighted average effective interest rate | Less than 12 months | 1-5 years | More than 5 years | Total |
|------------------------------------|---|------------------------|-----------|----------------------|---------|
| | % | US\$ | US\$ | US\$ | US\$ |
| Variable interest rate instruments | 2.78% | 35,923 | 61,088 | 42,972 | 139,983 |
| Fixed interest rate instruments | 2.75% | 31,136 | 100,087 | 131,858 | 263,081 |
| Lease liability (IFRS 16) | 8.77% | 19,153 | 66,718 | 292,766 | 378,637 |
| | | 86,212 | 227,893 | 467,596 | 781,701 |

| 31 December 2020 | Weighted average effective interest rate | Less than 12 months | 1-5 years | More than 5 years | Total |
|------------------------------------|---|------------------------|-----------|----------------------|-----------|
| | % | R\$ | R\$ | R\$ | R\$ |
| Variable interest rate instruments | 2.78% | 186,681 | 317,456 | 223,313 | 727,450 |
| Fixed interest rate instruments | 2.75% | 161,804 | 520,122 | 685,226 | 1,367,152 |
| Lease liability (IFRS 16) | 8.77% | 99,533 | 346,710 | 1,521,418 | 1,967,661 |
| | | 448,018 | 1,184,288 | 2,429,957 | 4,062,263 |

g. Credit risk

The Group's credit risk can be attributed mainly to balances such as cash and cash equivalents, short term investments, debt securities, loans, trade receivables and other trade receivables. The disclosure in the balance sheet is shown net of the allowance for bad debts.

The Group 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 Company 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%).

The Group's sales policy follows the criteria for credit sales set by management, which seeks to mitigate any loss due to customer default.

| | Note | 30/06/2021 US\$ | 31/12/2020 US\$ | 30/06/2021 R\$ | 31/12/2020 R\$ |
|-------------------------------|------|--------------------|--------------------|-------------------|-------------------|
| Cash and cash equivalents | 18 | 53,484 | 58,737 | 267,538 | 305,241 |
| Short-term investments | 18 | - | 39,590 | - | 205,735 |
| Operational trade receivables | 17 | 49,583 | 38,767 | 248,026 | 201,461 |
| Other receivables | 17 | 19,576 | 6,811 | 99,601 | 35,395 |
| Exposed to credit risk | | 122,643 | 143,905 | 615,165 | 747,832 |

Operational trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is initially based on the Group's historical observed default rates. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as historically trade receivables are generally received in 30 days.

Based on historical experience, the Company considers a financial asset in default when contractual payments are 180 days past due. So that, it is possible to consider that a default rate should be the average of the default after 180 days, net of the recoverability percentage of these receivables.

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| 30 June 2021 | Current | 01 to 30 days | 31 to 90 days | 91 to 180 days | More than 180 days | Total |
|-----------------------------------|---------|---------------|---------------|----------------|--------------------|---------|
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Expected credit loss rate | 0.10% | 0.10% | 3.29% | 8.27% | 51.08% | |
| Receivables for services rendered | 43,504 | 4,170 | 1,033 | 786 | 480 | 49,973 |
| Accumulated credit loss | (43) | (3) | (34) | (65) | (245) | (390) |
| 30 June 2021 | Current | 01 to 30 days | 31 to 90 days | 91 to 180 days | More than 180 days | Total |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Expected credit loss rate | 0.10% | 0.10% | 3.29% | 8.27% | 51.08% | |
| Receivables for services rendered | 217,617 | 20,862 | 5,166 | 3,932 | 2,399 | 249,976 |
| Accumulated credit loss | (216) | (13) | (172) | (323) | (1,226) | (1,950) |
| 31 December 2020 | Current | 01 to 30 days | 31 to 90 days | 91 to 180 days | More than 180 days | Total |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Expected credit loss rate | 0.09% | 0.09% | 3.30% | 12.77% | 62.48% | |
| Receivables for services rendered | 32,730 | 4,800 | 852 | 197 | 742 | 39,321 |
| Accumulated credit loss | (35) | (4) | (28) | (25) | (462) | (554) |
| 31 December 2020 | Current | 01 to 30 days | 31 to 90 days | 91 to 180 days | More than 180 days | Total |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| Expected credit loss rate | 0.09% | 0.09% | 3.30% | 12.77% | 62.48% | |
| Receivables for services rendered | 170,092 | 24,942 | 4,426 | 1,026 | 3,854 | 204,340 |
| Accumulated credit loss | (171) | (23) | (146) | (131) | (2,408) | (2,879) |

h. Fair value of financial instruments

The Group's financial instruments are managed through operating strategies aimed to obtain liquidity, profitability and security. The control policy consists of ongoing monitoring of rates agreed versus those in force in the market, and confirmation of whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

The determination of estimated realisable values of the Group's financial assets and liabilities relies on information available in the market and relevant assessment methodologies. Nevertheless, considerable judgment is required when interpreting market data to derive the most adequate estimated realisable value.

All the Group's financial instruments (as disclosed in note 27 b) are considered as level 2 under the IFRS 7 hierarchy as fair values are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

i. Criteria, assumptions and limitations used when computing fair values

Cash and cash equivalents

The fair values of the bank current account balances are consistent with book balances.

Investments

The fair values of the short-term investments are consistent with book balances.

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Trade and other trade receivables/payables

According to management estimates the fair values of the trade receivables and trade payables are consistent with book balances.

Bank and loans

Fair value of loan arrangements was calculated at their present value determined by future cash flows and at interest rates applicable to instruments of similar nature, terms and risks or at market quotations of these securities. Fair value measurements recognised in the consolidated financial statements are grouped into levels based on the degree to which the fair value is observable.

The fair values of BNDES, BB, and Bradesco financing arrangements are considered similar to their carrying amounts as the Group has to date not identified comparable instruments.

28. Related-party transactions

Transactions between the Company and its related party subsidiaries have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates, joint ventures, other investments and other related parties are disclosed below.

There are no repayment terms and it is not the intention of the parties the loan would be repaid within one year.

| | Assets (liabilities) | Revenues | Expenses | Assets (liabilities) | Revenues | Expenses |
|---|-------------------------|----------|----------|-------------------------|----------|----------|
| | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ |
| Joint operations and joint ventures: | | | | | | |
| 1. Allink Transportes Internacionais Ltda. | (19) | - | (125) | (95) | - | (677) |
| 2. Consórcio de Rebocadores Baía de São Marcos | (335) | - | - | (1,676) | - | - |
| 3. Wilson, Sons Ultratug and subsidiaries | 20,639 | 262 | - | 104,918 | 1,409 | - |
| 4. Atlantic Offshore S.A. | 20,167 | - | - | 100,878 | - | - |
| 5. Porto Campinas, Logística e Intermodal Ltda. | 13 | - | - | 65 | - | - |
| Other: | | | | | | |
| 6. Gouvêa Vieira Advogados | - | - | (13) | - | - | (69) |
| 7. CMMR Intermediação Comercial Ltda. | - | - | - | - | - | - |
| Six-month period ended 30 June 2021 | 40,465 | 262 | (138) | 204,090 | 1,409 | (746) |
| Three-month period ended 30 June 2021 | 8,464 | (23) | (205) | 21,773 | (178) | (379) |
| At 31 December 2020 | 32,048 | 656 | (434) | 166,542 | 3,352 | (2,244) |
| Six-month period ended 30 June 2020 | 32,220 | 392 | (133) | 176,434 | 1,929 | (643) |
| Three-month period ended 30 June 2020 | 22 | 196 | (53) | 9,048 | 1,053 | (293) |

1. Allink Transportes Internacionais Ltda, is 50% owned by the Group and rents terminal warehousing from the Group. Mr Augusto Cezar Baião is a minority shareholder of Allink Transportes Internacionais Ltda.

2. The transactions with the joint operations are disclosed as a result of proportionate amounts not eliminated on consolidation.

3. Related party loan with Wilson, Sons Ultratug (interest – 0.3% per month with no maturity); advance for future capital increase and other trade payables and receivables from Wilson, Sons Offshore and Magallanes.

4. Related party loan with Atlantic Offshore S.A. (with no interest and with no maturity).

5. Advance for future capital increase from Porto Campinas.

6. Mr. J.F. Gouvêa Vieira is a partner with the law firm Gouvêa Vieira Advogados, Fees were paid to Gouvêa Vieira Advogados for legal services.

7. Mr. C.M. Marote is a shareholder and director of CMMR Intermediação Comercial Ltda. Fees were paid to CMMR Intermediação Comercial Ltda. for consultancy services to the Wilson Sons towage segment.

The Board of the joint venture Wilson Sons Ultratug has already deliberated and the advance for future capital increase, amounting to US\$10.0 million (R\$51.6 millions) is expected to be capitalised on August 2021.

The Company has adopted the policy of netting the assets and liabilities of the Group related party transactions.

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29. Notes to the consolidated statement of cash flows

| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
|--|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Income before tax | 41,847 | 14,523 | 225,141 | 74,896 |
| Less: Finance income | (1,329) | (5,916) | (7,061) | (27,766) |
| Add: Exchange gain (loss) on translation | (2,388) | 16,646 | (11,968) | 78,681 |
| Add: Share of result of joint ventures | 750 | 5,212 | 4,138 | 24,860 |
| Add: Finance costs | 7,789 | 4,574 | 41,951 | 22,452 |
| Add: Interest on lease | 6,790 | 6,839 | 36,442 | 33,664 |
| Operating income from operations | 53,459 | 41,878 | 288,643 | 206,787 |
| Adjustments for: | | | | |
| Amortisation of right-of-use | 5,982 | 6,486 | 32,133 | 32,421 |
| Depreciation and amortisation expenses | 25,270 | 25,842 | 136,154 | 126,571 |
| Gain (loss) on disposal of property, plant and equipment | (2) | (295) | (20) | (1,389) |
| Provision equity-settled share-based payment | 113 | 105 | 455 | 515 |
| Post-employment benefits | 32 | 70 | 170 | 343 |
| Increase in provisions | (735) | 25 | (3,848) | 101 |
| Operating cash flows before movements in working capital | 84,119 | 74,111 | 453,687 | 365,349 |
| Changes in assets and liabilities: | | | | |
| Inventories | (894) | 1,030 | (4,815) | 5,069 |
| Trade and other trade receivables | (13,638) | 11,211 | (73,459) | 55,116 |
| Trade and other trade payables | 4,238 | 670 | 22,827 | 3,298 |
| Other non-current assets | 435 | 16,527 | 2,343 | 81,343 |
| Cash generated by operations | 74,260 | 103,549 | 400,583 | 510,175 |
| Income taxes paid | (13,814) | (12,635) | (74,802) | (64,550) |
| Interest paid – borrowings | (4,760) | (4,835) | (25,722) | (23,461) |
| Interest paid – leasing | (7,237) | (7,805) | (38,842) | (38,877) |
| Interest paid – others | (26) | (16) | (122) | (75) |
| Net cash from operating activities | 48,423 | 78,258 | 261,095 | 383,212 |

Non-cash transactions

During the current period, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
|----------------------------------|------------|------------|------------|------------|
| | US\$ | US\$ | R\$ | R\$ |
| Additions to fixed assets | | | | |
| Capitalised interest | - | 1,703 | - | 8,166 |

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Notes to the condensed consolidated interim financial statements

At 30 June 2021

(Amounts expressed in thousands of U.S. Dollars and Brazilian Reais, unless otherwise noted)

30. Compensation of key management personnel

Compensation of the Group's statutory directors of the Brazilian subsidiary and the Board of Directors is set out below in aggregate for each of the categories:

| | Three-month period ended | | Six-month period ended | | Three-month period ended | | Six-month period ended | |
|---|-----------------------------|------------|---------------------------|------------|-----------------------------|------------|---------------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| | US\$ | US\$ | US\$ | US\$ | R\$ | R\$ | R\$ | R\$ |
| Short-term employee benefits | (1,422) | (1,475) | (2,964) | (3,275) | (7,490) | (7,921) | (15,946) | (15,868) |
| Post-employment benefits and social charges | (76) | (74) | (161) | (169) | (404) | (397) | (870) | (820) |
| Stock Option | (70) | (53) | (88) | (105) | (356) | (282) | (455) | (515) |
| Total | (1,568) | (1,602) | (3,213) | (3,549) | (8,250) | (8,600) | (17,271) | (17,203) |

31. Coronavirus outbreak ("COVID-19")

Wilson Sons provides port and maritime logistics services which have been established as essential activities by the Brazilian government under Decree No. 10.282/2020, limiting the negative effects of COVID-19 on the Company's results up to this time. The Company does not predict any material impact on its long-term performance as the global economy already shows signs of gradual recovery throughout the first half of 2021.

32. Subsequent event

The Company announced that on 09 July 2021 the Bermudian Ministry of Finance approved Brazil as the appointed foreign jurisdiction for the purpose of merging the Company with and into its controlled subsidiary, Wilson Sons Holdings Brasil S.A. ("WS S.A."), a corporation established under the laws of the Federative Republic of Brazil, and the consequent succession of the Company by WS S.A. in Brazil as the surviving company. The proposal for the Group's corporate restructuring ("Proposed Restructuring") is still subject to the approval of WSL and WS S.A. shareholders at general meetings to be convened in due course, and also involves WS S.A. category "A" registration with the CVM and the listing of its shares in the Novo Mercado segment of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), which are subject to the approval of the Brazilian Securities and Exchange Commission ("CVM") and B3.

33. Opinion of the audit committee

Pursuant to the legal provisions, the statutory audit committee of Wilson Sons Limited has reviewed the condensed consolidated interim financial information for the period ending 30 June 2021. On the basis of the aforementioned review and further considering the information and clarifications provided by the Company's management and by Ernst & Young Auditores Independentes S.S., received during the course of the fiscal period, the Audit Committee recommends that the Board of Directors approve the condensed consolidated interim financial information (including explanatory notes) for the period ending 30 June 2021.

34. Approval of the financial information

The condensed consolidated interim financial information was approved by the board of directors and authorised for issue on 10 Aug 2021.

Directors Declaration

In compliance with article 25, section V of CVM Instruction 480 of 7 December 2009, the Directors of Wilson Sons Limited declare that they have reviewed, discussed and agreed with the condensed consolidated interim financial information and the conclusion expressed in the independent auditor's review report of the condensed consolidated interim financial information for the period ending 30 June 2021.



Wilson, Sons

CONDENSED CONSOLIDATED INTERIM FINANCIAL

Wilson Sons Holdings Brasil S.A.
30 June 2021

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[Twitter.com/WilsonSonsBR](https://twitter.com/WilsonSonsBR)



[YouTube.com/WilsonSonsIR](https://www.youtube.com/WilsonSonsIR)



“(Free translation of the original issued in Portuguese)”

Interim Financial Information

Wilson Sons Holdings Brasil S.A.

30 June 2021
with Independent Auditor’s Review Report

Wilson Sons Holdings Brasil S.A.

Interim financial information

30 June 2021

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A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)

Independent auditor's review report on quarterly information

To the Board of Directors and Shareholders' of
Wilson Sons Holdings Brasil S.A.
Rio de Janeiro, Brazil

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Wilson Sons Holdings Brasil S.A. ("the Company") for the quarter ended June 30, 2021, comprising the statement of financial position as of June 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Emphasis of matter - Restatement of corresponding amounts

We draw attention to Note 2.1 to the interim financial information, which was modified and is being restated by the Company to include the recording of provision for contingencies and assets of equal value, referring to indemnity receivable from an insurance company, as well as to improve certain disclosures and presentations, in connection with the Category A Registration process with the Brazilian Securities and Exchange Commission (CVM), as detailed in said Note. On August 10, 2021, we issued unmodified review reports on the Company's interim financial information for the quarter ended June 30, 2021, which is being restated. Our conclusions remain unmodified with respect to this issue.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, September 21, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Diogo Afonso da Silva
Accountant CRC-1RJ114783/O-8

A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)

Wilson Sons Holdings Brasil S.A.

Balance sheets

30 June 2021 and 31 December 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Note | Parent Company | | Consolidated | |
|--|------|------------------|------------------|------------------|------------------|
| | | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Assets | | | | | |
| Cash and cash equivalents | 3 | 51,614 | 71,480 | 201,999 | 303,123 |
| Operational trade receivables | 4 | - | - | 248,026 | 201,461 |
| Inventories | 5 | - | - | 63,318 | 61,134 |
| Recoverable taxes | 6 | 6,834 | 6,934 | 135,239 | 116,815 |
| Dividends receivable | 7 | 265,671 | 335,672 | - | - |
| Other current assets | | 6,419 | 363 | 46,245 | 34,895 |
| Total current assets | | 330,538 | 414,449 | 694,827 | 717,428 |
| Escrow deposits | | 55 | 54 | 23,755 | 25,489 |
| Trade receivables from related parties | 25 | 106,695 | 54,645 | 105,007 | 53,939 |
| recoverable taxes | 6 | 1,265 | 1,265 | 30,862 | 57,195 |
| Deferred tax assets | 15 | - | - | 116,881 | 153,995 |
| Investments | 8 | 1,521,658 | 1,432,095 | 103,022 | 113,031 |
| Property, plant, and equipment | 10 | 192 | 274 | 2,897,419 | 3,009,606 |
| Right of use | 11 | 62 | 121 | 965,034 | 775,753 |
| Intangible assets | 12 | 55,764 | 58,349 | 148,606 | 157,958 |
| Other trade receivables | | - | - | 4,357 | 4,110 |
| Total non-current assets | | 1,685,691 | 1,546,803 | 4,394,943 | 4,351,076 |
| Total assets | | 2,016,229 | 1,961,252 | 5,089,770 | 5,068,504 |
| Liabilities | | | | | |
| Trade payables | | 122 | 656 | 97,128 | 85,809 |
| Bank loans | 14 | - | - | 222,668 | 304,901 |
| Lease liabilities | 11 | 19 | 58 | 118,677 | 94,538 |
| Salaries, provisions, and social contributions | | 4,887 | 9,904 | 78,164 | 85,829 |
| Taxes payable | 13 | 387 | 433 | 38,344 | 32,980 |
| Dividends payable | 7 | - | 31,673 | - | 31,673 |
| Other current liabilities | | 39 | 755 | 41,432 | 34,658 |
| Total current liabilities | | 5,454 | 43,479 | 596,413 | 670,388 |
| Accounts payable from related parties | 25 | 44,432 | 43,774 | 1,688 | 1,486 |
| Bank loans | 14 | - | - | 1,347,528 | 1,475,806 |
| Lease liabilities | 11 | 35 | 41 | 906,149 | 725,989 |
| Deferred tax liabilities | 15 | 6,629 | 5,806 | 218,901 | 264,964 |
| Provision for tax, labour, civil and environmental risks | 16 | 2,088 | 2,075 | 51,915 | 53,785 |
| Post-employment benefits | 27 | 241 | 232 | 8,696 | 8,526 |
| Total non-current liabilities | | 53,425 | 51,928 | 2,534,877 | 2,530,556 |
| Total liabilities | | 58,879 | 95,407 | 3,131,290 | 3,200,944 |
| Equity | 17 | | | | |
| Share capital | | 129,606 | 126,232 | 129,606 | 126,232 |
| Legal reserve | | 47,447 | 47,447 | 47,447 | 47,447 |
| Capital reserves | | 24 | 24 | 24 | 24 |
| Stock Option | | 34,899 | 34,443 | 34,899 | 34,443 |
| Profit reserve | | 926,867 | 926,867 | 926,867 | 926,867 |
| Retained earnings | | 143,133 | - | 143,133 | - |
| Other comprehensive income | | 675,374 | 730,832 | 675,374 | 730,832 |
| Equity attributable to the parent company | | 1,957,350 | 1,865,845 | 1,957,350 | 1,865,845 |
| Non-controlling interests | | - | - | 1,130 | 1,715 |
| Total equity | | 1,957,350 | 1,865,845 | 1,958,480 | 1,867,560 |
| Total liabilities and equity | | 2,016,229 | 1,961,252 | 5,089,770 | 5,068,504 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Income statement

Three and six-month periods ended 30 June 2021 and 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Note | Parent Company | | | | Consolidated | | | |
|---|------|--------------------|---------------|------------------|---------------|--------------------|----------------|------------------|----------------|
| | | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Revenues | 18 | - | - | - | - | 509,998 | 447,335 | 1,017,084 | 853,724 |
| Service costs | 19 | - | - | - | - | (278,335) | (242,544) | (551,440) | (468,665) |
| Gross profit | | - | - | - | - | 231,663 | 204,791 | 465,644 | 385,059 |
| Selling expenses | | - | - | - | - | (2,286) | (5,916) | (4,071) | (10,280) |
| General and administrative expenses | 20 | (11,401) | (5,912) | (17,972) | (14,860) | (95,295) | (84,131) | (177,552) | (171,620) |
| Other operating revenues | 21 | 16,641 | 8,779 | 21,024 | 13,658 | 974 | 5,600 | 5,830 | 7,242 |
| Equity result | 8 | 72,755 | 35,867 | 131,409 | 14,869 | 2,183 | (8,821) | (8,057) | (29,577) |
| Income before financial result | | 77,995 | 38,734 | 134,461 | 13,667 | 137,239 | 111,523 | 281,794 | 180,824 |
| Financial result | 22 | 39,937 | (1,063) | 9,781 | 3,780 | 9,369 | (42,010) | (56,079) | (87,595) |
| Income before tax | | 117,932 | 37,671 | 144,242 | 17,447 | 146,608 | 69,513 | 225,715 | 93,229 |
| Income tax expense | 15 | 173 | (2,691) | (1,109) | (5,688) | (26,046) | (33,082) | (78,446) | (79,105) |
| Net income for the period | | 118,105 | 34,980 | 143,133 | 11,759 | 120,562 | 36,431 | 147,269 | 14,124 |
| Net income attributable to: Controlling shareholders | | 118,105 | 34,980 | 143,133 | 11,759 | 118,105 | 34,980 | 143,133 | 11,759 |
| Non-controlling interests | | - | - | - | - | 2,457 | 1,451 | 4,136 | 2,365 |
| | | 118,105 | 34,980 | 143,133 | 11,759 | 120,562 | 36,431 | 147,269 | 14,124 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Statements of Comprehensive Income

Three and six-month periods ended 30 June 2021 and 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Parent Company | | | | Consolidated | | | |
|--|--------------------|---------------|------------------|----------------|--------------------|---------------|------------------|----------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Net Income | 118,105 | 34,980 | 143,133 | 11,759 | 120,562 | 36,431 | 147,269 | 14,124 |
| Items that will never affect profit or loss | | | | | | | | |
| Translation reserve | (185,023) | 53,163 | (55,453) | 296,621 | (185,023) | 53,163 | (55,453) | 296,621 |
| Items that are or may be reclassified to profit or loss, net of tax effects | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | 72 | (24) | (5) | (182) | 72 | (24) | (5) | (182) |
| Comprehensive income (loss) for the period | (66,846) | 88,119 | 87,675 | 308,198 | (64,389) | 89,570 | 91,811 | 310,563 |
| Comprehensive result for the period attributed to: | | | | | | | | |
| Owners of the Company | (66,846) | 88,119 | 87,675 | 308,198 | (66,846) | 88,119 | 87,675 | 308,198 |
| Non-controlling interests | - | - | - | - | 2,457 | 1,451 | 4,136 | 2,365 |
| | (66,846) | 88,119 | 87,675 | 308,198 | (64,389) | 89,570 | 91,811 | 310,563 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Statements of Changes in Equity

Six-month period ended 30 June 2021 and 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Note | Share capital | Reserve | | | Other comprehensive income | | | Share options | Retained earnings | Attributable to owners of the Company | Non-controlling interests | Total |
|-----------------------------------|-----------|----------------|---------------|-----------|------------------|----------------------------|--------------|-------------------------|---------------|-------------------|---------------------------------------|---------------------------|------------------|
| | | | legal | capital | of profits | Translation reserve | Derivatives | Post-employment benefit | | | | | |
| Balance on 31 December 2019 | 17 | 126,198 | 42,043 | 24 | 1,062,242 | 502,121 | (23) | (6,846) | 33,040 | - | 1,758,799 | 2,479 | 1,761,278 |
| Net income for the period | | - | - | - | - | - | - | - | - | 11,759 | 11,759 | 2,365 | 14,124 |
| Derivative financial instruments | | - | - | - | - | - | (182) | - | - | - | (182) | - | (182) |
| Translation reserve | | - | - | - | - | 296,621 | - | - | - | - | 296,621 | - | 296,621 |
| Total comprehensive result | | - | - | - | - | 296,621 | (182) | - | - | 11,759 | 308,198 | 2,365 | 310,563 |
| Share option | 27 | - | - | - | - | - | - | - | 250 | - | 250 | - | 250 |
| Profit allocation: | | | | | | | | | | | | | |
| Dividends | 7 | - | - | - | (24,128) | - | - | - | - | - | (24,128) | (400) | (24,528) |
| Balances at 30 June 2020 | 17 | 126,198 | 42,043 | 24 | 1,038,114 | 798,742 | (205) | (6,846) | 33,290 | 11,759 | 2,043,119 | 4,444 | 2,047,563 |
| Balance on 31 December 2020 | 17 | 126,232 | 47,447 | 24 | 926,867 | 736,008 | (119) | (5,057) | 34,443 | - | 1,865,845 | 1,715 | 1,867,560 |
| Net income for the period | | - | - | - | - | - | - | - | - | 143,133 | 143,133 | 4,136 | 147,269 |
| Derivative financial instruments | | - | - | - | - | - | (5) | - | - | - | (5) | - | (5) |
| Translation reserve | | - | - | - | - | (55,453) | - | - | - | - | (55,453) | - | (55,453) |
| Total comprehensive result | | - | - | - | - | (55,453) | (5) | - | - | 143,133 | 87,675 | 4,136 | 91,811 |
| Capital increase | 17 | 3,374 | - | - | - | - | - | - | - | - | 3,374 | 154 | 3,528 |
| Share option | 27 | - | - | - | - | - | - | - | 456 | - | 456 | - | 456 |
| Profit allocation: | | | | | | | | | | | | | |
| Dividends | 7 | - | - | - | - | - | - | - | - | - | - | (4,875) | (4,875) |
| Balances at 30 June 2021 | 17 | 129,606 | 47,447 | 24 | 926,867 | 680,555 | (124) | (5,057) | 34,899 | 143,133 | 1,957,350 | 1,130 | 1,958,480 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Statements of Cash Flows

Six-month period ended 30 June 2021 and 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Note | Parent Company | | Consolidated | |
|---|--------|-----------------|-----------------|------------------|------------------|
| | | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Cash flow from operating activities | | | | | |
| Profit before income tax and social contribution | | 144,242 | 17,447 | 225,715 | 93,229 |
| Adjustments by: | | | | | |
| Equity result | 8 | (131,409) | (14,869) | 8,057 | 29,577 |
| | 10 and | | | | |
| Depreciation and amortisation | 12 | 85 | 76 | 136,154 | 126,571 |
| Amortisation of right-of-use | 11 | 58 | 53 | 32,133 | 32,421 |
| Gain on sale of property, plant, and equipment | | - | (628) | (20) | (1,389) |
| Expected credit losses | | - | - | 930 | 542 |
| Provision for tax, labour, civil and environmental risks | | (13) | (13) | (1,565) | (1,245) |
| Financial result | 22 | (9,781) | (3,780) | 56,079 | 87,595 |
| Employee benefit | | 9 | 9 | 170 | 343 |
| Operational trade receivables | | - | (807) | (58,257) | 34,945 |
| Inventories | | - | - | (4,815) | 5,069 |
| Recoverable taxes | | (226) | 512 | 1,503 | 63,186 |
| Escrow deposits | | (5) | (49) | 873 | 18,166 |
| Other operating assets | | (6,065) | (138) | (14,036) | 20,545 |
| Trade payables | | (544) | (69) | 15,566 | 31,997 |
| Salaries, provisions, and social charges | | (5,666) | (6,403) | (4,772) | (22,306) |
| Recoverable taxes | | (65) | 94 | 7,099 | 3,465 |
| Income tax expense paid | | (409) | (509) | (74,802) | (64,550) |
| Interest paid on lease | | (4) | (10) | (38,842) | (38,877) |
| Interest paid on financing | | - | - | (25,722) | (23,461) |
| Other operating liabilities | | (512) | 314 | 9,148 | (9,284) |
| Net cash generated by (used in) operating activities | | (10,305) | (8,770) | 270,596 | 386,539 |
| Financial income and interest | | 720 | 391 | 3,978 | 27,051 |
| Interest received from related companies | | 218 | 707 | 874 | 823 |
| Accounts payable and receivable with related companies | | (1,977) | 49,336 | (3,070) | 3,578 |
| Dividends received | | 74,500 | 88,900 | - | - |
| Capital increase | | - | - | 3,528 | 9,369 |
| Sale of property, plant and equipment, and Intangible assets | | - | (920) | 307 | 724 |
| Additions to property, plant, and equipment and intangible assets | | (8) | (228) | (90,988) | (209,752) |
| Advances for future capital increases - Joint ventures | | (51,623) | - | (51,623) | - |
| Net cash generated by (used in) investing activities | | 21,830 | 138,186 | (136,994) | (168,207) |
| Funding - third parties | | - | - | 15,651 | 207,107 |
| Amortization of financing - third parties | | - | - | (198,896) | (68,943) |
| Repayments of leases obligations | | - | - | (23,531) | (16,114) |
| Dividends paid | 7 | (31,673) | (76,899) | (36,548) | (81,967) |
| Net cash generated by (used in) financing activities | | (31,673) | (76,899) | (243,324) | 40,083 |
| Net increase (decrease) in cash and cash equivalents balance | | (20,148) | 52,517 | (109,722) | 258,415 |
| Cash and cash equivalents at the start of the fiscal year | | 71,480 | 3,765 | 303,123 | 215,929 |
| Effect of foreign exchange rate changes | | 282 | (7,912) | 8,598 | (82,350) |
| Cash and cash equivalents at year-end | | 51,614 | 48,370 | 201,999 | 391,994 |
| Net increase in cash and cash equivalents balance | | (20,148) | 52,517 | (109,722) | 258,415 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Statements of added value

Six-month period ended 30 June 2021 and 2020

(All amounts in thousands of reais, unless otherwise stated)

| | Parent Company | | Consolidated | |
|---|----------------|----------------|------------------|------------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Generation of added value | | | | |
| Revenues | 1,144 | 1,650 | 1,024,549 | 857,427 |
| Revenue from products and services | - | - | 1,020,060 | 853,033 |
| Other revenues | 1,144 | 1,650 | 3,686 | 4,363 |
| Expected credit losses | - | - | 803 | 31 |
| Inputs from third parties | 13,590 | 6,010 | (205,362) | (174,554) |
| Costs of products and services | (1,965) | (2,472) | (102,129) | (87,043) |
| Maintenance | (17) | (10) | (32,690) | (21,428) |
| Energy, fuels, and outsourced services | 16,450 | 8,991 | (66,244) | (57,706) |
| Other costs | (878) | (499) | (5,689) | (12,112) |
| Recovery of asset Values | - | - | 1,390 | 3,735 |
| Gross added value | 14,734 | 7,660 | 819,187 | 682,873 |
| Amortisation of right-of-use of the assets | (58) | (53) | (32,133) | (26,015) |
| Depreciation and amortisation | (86) | (77) | (136,157) | (126,572) |
| Net added value | 14,590 | 7,530 | 650,897 | 530,286 |
| Added value received on transfers | 133,066 | 16,229 | 3,964 | (18,802) |
| Result from equity interest | 131,409 | 14,869 | (8,057) | (29,577) |
| Finance income | 1,657 | 1,360 | 9,411 | 8,151 |
| Others | - | - | 2,610 | 2,624 |
| Added value to distribute | 147,656 | 23,759 | 654,861 | 511,484 |
| Distribution of added value | | | | |
| Personnel | 10,479 | 7,976 | 244,410 | 236,991 |
| Direct compensation | 8,967 | 6,865 | 183,283 | 179,350 |
| Benefits | 449 | 544 | 46,231 | 44,535 |
| FGTS | 1,063 | 567 | 14,896 | 13,106 |
| Taxes Payable | 2,298 | 6,702 | 121,995 | 120,186 |
| Federal | 2,298 | 6,702 | 114,201 | 112,598 |
| State | - | - | 6,426 | 6,059 |
| Municipal | - | - | 1,368 | 1,529 |
| Compensation on third-party capital | (8,254) | (2,678) | 141,187 | 140,183 |
| Rents | - | 2 | 77,203 | 50,540 |
| Interest | (8,254) | (2,680) | 63,984 | 89,643 |
| Compensation on equity | 143,133 | 11,759 | 147,269 | 14,124 |
| Retained earnings | 143,133 | 11,759 | 143,133 | 11,759 |
| Non-controlling interests | - | - | 4,136 | 2,365 |
| Distributed added value | 147,656 | 23,759 | 654,861 | 511,484 |

The accompanying notes are an integral part of the condensed consolidated interim financial information.

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information

30 June 2021

(All amounts in thousands of reais, unless otherwise stated)

1. Operational context

Wilson Sons Holdings Brasil S.A. (hereinafter “WSHB”, “Company” or “Group”), a parent company of Grupo Wilson, Sons, is a privately held corporation located at Rua da Quitanda, 86, 5º andar, Centro, Rio de Janeiro and whose main purpose is to participate in other companies. The Company is one of the largest providers of integrated port and maritime logistics and supply chain solutions in Brazil. With a business track record of over 180 years, the Company has developed an extensive national network and provides a comprehensive set of services related to domestic and international trade and the oil and gas industry. The Company’s principal activities are divided into the following segments: towage and shipping agency, container terminals and offshore support bases, offshore support vessels, logistics and shipyards.

2. Basis of preparation and presentation and main accounting policies

The unaudited interim financial information was prepared following CPC 21 (R1)/IAS 34 - Interim Financial Statements.

The relevant accounting policies adopted by the Group in this unaudited interim financial information are consistent with those adopted in the financial statements for the year ended 31 December 2020, disclosed on 21 September 2021.

The result for the six-month period ended 30 June 2021 is not necessarily indicative of the results that can be expected for the entire fiscal year ending 31 December 2021. The interim financial information and notes do not include all information and disclosures required for annual financial statements. Therefore, these statements should be read with the annual audited financial statements for 31 December 2020.

Critical accounting practices, policies, estimates, and judgments adopted by the Company in this interim financial information are consistent with those adopted in the financial statements for the fiscal year ended 31 December 2020.

Authorization to finish preparing the Company’s management granted this interim financial information on 21 September 2021.

2.1. Restatement of interim financial information

In connection with the initial registration process as a publicly-held company - Category A - initiated by the Company in July 2021, the Securities and Exchange Commission of Brazil (CVM), through Official Letter number 116/2021/CVM/SEP/GEA-2, demanded the restatement of accounting information. Accordingly, in compliance with CVM requirements, the Company has supplemented the following disclosures described below in the financial statements, originally issued on 10 August 2021:

- i) Provision for labour, tax, civil and environmental risks was complemented in the amount of R\$ R\$4,350 million for the period ended 30 June 2021 (R\$4.234 million on 31 March 2021 and R\$4.105 million on 31 December 2020) arising from the registration of a present obligation with probable likelihood of loss for an environmental claim in which the Company is jointly and severally liable for this obligation. Additionally, an asset was recorded in the same amount as the obligation, as the Company has full insurance coverage for any cash disbursement to cover this obligation.
- ii) Bank loans – considering the restatement of these financial statements, Management included in Note 14 the Company’s debt financial indicator threshold levels (covenants).
- iii) Compensation of key management personnel - considering the restatement of the financial statements, Management updated the amounts previously disclosed to be consistent with the CVM reference form information.

The impacts of the aforementioned effects are presented below:

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information
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(All amounts in thousands of reais, unless otherwise stated)

| | Consolidado | | | | | |
|--|----------------------|--------------|------------------------|----------------------|--------------|------------------------|
| | 30/06/2021 Stated | Adjustment | 30/06/2021 Restated | 31/12/2020 Stated | Adjustment | 31/12/2020 Restated |
| Assets | | | | | | |
| Total current assets | 694,827 | - | 694,827 | 717,428 | - | 717,428 |
| Escrow deposits | 23,755 | - | 23,755 | 25,489 | - | 25,489 |
| Trade receivables from related parties | 105,007 | - | 105,007 | 53,939 | - | 53,939 |
| recoverable taxes | 30,862 | - | 30,862 | 57,195 | - | 57,195 |
| Deferred tax assets | 116,881 | - | 116,881 | 153,995 | - | 153,995 |
| Investments | 103,022 | - | 103,022 | 113,031 | - | 113,031 |
| Property, plant, and equipment | 2,897,419 | - | 2,897,419 | 3,009,606 | - | 3,009,606 |
| Right of use | 965,034 | - | 965,034 | 775,753 | - | 775,753 |
| Intangible assets | 148,606 | - | 148,606 | 157,958 | - | 157,958 |
| Other trade receivables | 7 | 4,350 | 4,357 | 5 | 4,105 | 4,110 |
| Total non-current assets | 4,390,593 | 4,350 | 4,394,943 | 4,346,971 | 4,105 | 4,351,076 |
| Total assets | 5,085,420 | 4,350 | 5,089,770 | 5,064,399 | 4,105 | 5,068,504 |
| Liabilities | | | | | | |
| Total current liabilities | 596,413 | - | 596,413 | 670,388 | - | 670,388 |
| Accounts payable from related parties | 1,688 | - | 1,688 | 1,486 | - | 1,486 |
| Bank loans | 1,347,528 | - | 1,347,528 | 1,475,806 | - | 1,475,806 |
| Lease liabilities | 906,149 | - | 906,149 | 725,989 | - | 725,989 |
| Deferred tax liabilities | 218,901 | - | 218,901 | 264,964 | - | 264,964 |
| Provision for tax, labour, civil and environmental risks | 47,565 | 4,350 | 51,915 | 49,680 | 4,105 | 53,785 |
| Post-employment benefits | 8,696 | - | 8,696 | 8,526 | - | 8,526 |
| Accounts payable from related parties | - | - | - | - | - | - |
| Total non-current liabilities | 2,530,527 | 4,350 | 2,534,877 | 2,526,451 | 4,105 | 2,530,556 |
| Total liabilities | 3,126,940 | 4,350 | 3,131,290 | 3,196,839 | 4,105 | 3,200,944 |
| Total equity | 1,958,480 | - | 1,958,480 | 1,867,560 | - | 1,867,560 |
| Total liabilities and equity | 5,085,420 | 4,350 | 5,089,770 | 5,064,399 | 4,105 | 5,068,504 |

The aforementioned change does not impact the income statement, as there is no net effect on the cash flow generated by operating activities, nor on the statement of added value.

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information
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(All amounts in thousands of reais, unless otherwise stated)

3. Cash and cash equivalents

| | Parent Company | | Consolidated | |
|---------------------------------|----------------|------------|--------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Denominated in US dollar: | | | | |
| Cash and banks | - | - | 73,651 | 23,651 |
| Total | - | - | 73,651 | 23,651 |
| Denominated in Brazilian Real: | | | | |
| Fixed income investments | 51,607 | 61,945 | 126,994 | 244,542 |
| Cash and banks | 7 | 4 | 827 | 4,072 |
| Deposit certificates | - | 9,531 | 527 | 30,858 |
| Total | 51,614 | 71,480 | 128,348 | 279,472 |
| Total cash and cash equivalents | 51,614 | 71,480 | 201,999 | 303,123 |

The average income from cash and cash equivalents is shown below:

| | Parent Company | | Consolidated | |
|--------------------------------|----------------|------------|--------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Denominated in Brazilian Real: | | | | |
| Fixed income investments | 2.22% | 2.55% | 2.22% | 2.55% |
| Deposit certificates | - | 2.25% | 2.63% | 2.16% |

Cash and cash equivalents comprise cash on hand, bank accounts and short-term investments that are highly liquid and readily convertible to known amounts of cash and subject to an immaterial risk of changes in value.

US dollar-denominated cash and cash equivalents refer principally to investments in time deposits placed with major financial institutions. Real-denominated cash and cash equivalents refer principally to investments in deposit certificates and Brazilian treasury bonds.

Exclusive investment fund

The Group has investments in an exclusive investment fund managed by Itaú BBA S.A. consolidated in this financial information. These highly liquid investments are readily convertible to known amounts of cash and are marked to fair value daily in profit and loss. This fund's financial obligations are limited to Itaú BBA SA's service fees, audit fees and other minor administrative expenses.

The exclusive investment fund has its portfolio breakdown as set out below:

| | 30/06/2021 | 31/12/2020 |
|------------------------------------|------------|------------|
| Fixed income investments: | | |
| Treasury financial bill | 64,997 | 143,773 |
| Finance bill | 33,048 | 36,768 |
| CDB after early settlement | - | 16,010 |
| Eligible financial bill - Level II | 4,666 | 4,745 |
| LTN Over | 24,283 | - |
| LTF Over | - | 43,246 |
| Total | 126,994 | 244,542 |

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information
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(All amounts in thousands of reais, unless otherwise stated)

| | Parent Company | | Consolidated | |
|------------------------------------|----------------|---------------|----------------|----------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Fund's Interest % | 41% | 25% | 100% | 100% |
| Amount invested in the Fund | 51,607 | 61,945 | 126,994 | 244,542 |

4. Operational trade receivables

| | Consolidated | |
|----------------------------------|----------------|----------------|
| | 30/06/2021 | 31/12/2020 |
| Receivable for services rendered | 249,976 | 204,340 |
| Expected credit losses | (1,950) | (2,879) |
| Total | 248,026 | 201,461 |

Trade receivables disclosed are classified as financial assets measured at amortised costs.

The aging list of receivables for services rendered is as follows:

| | 30/06/2021 | 31/12/2020 |
|--------------------|----------------|----------------|
| To be due | 217,617 | 170,092 |
| Overdue: | | |
| 01 to 30 days | 20,862 | 24,942 |
| 31 to 90 days | 5,166 | 4,426 |
| 91 to 180 days | 3,932 | 1,026 |
| More than 180 days | 2,399 | 3,854 |
| Total | 249,976 | 204,340 |

Generally, the interest of one percent per month plus a two percent penalty is charged on overdue balances. Allowances for expected credit losses are recognised as a reduction of receivables whenever a loss is expected. As of 1 January 2018, due to the application of CPC 48 (IFRS 9), the Group has recognised an allowance considering an expected credit loss model that involves historical evaluation of effective loss over billing cycles. The period over review is 3.5 years, being renewed every 180 days. The measurement of default rate shall consider the recoverability of receivables and apply according to the debtors' payment profile. The Group reviews, when appropriate, the matrix to adjust the historical credit loss experience with forward-looking information. The provision matrix is disclosed in Note 24. Due to the COVID-19 pandemic, the Company has reviewed the variables that make up the methodology of measuring estimated losses and has not observed an increase in customer default due to the coronavirus outbreak.

The changes in the provision for expected credit losses are shown below:

| | Consolidated |
|----------------------------|--------------|
| On 31 December 2019 | 3,374 |
| Provision reduction | (495) |
| On 31 December 2020 | 2,879 |
| Provision reduction | (929) |
| On 30 June 2021 | 1,950 |

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information
30 June 2021
(All amounts in thousands of reais, unless otherwise stated)

5. Inventories

| | Consolidated | |
|---|---------------|---------------|
| | 30/06/2021 | 31/12/2020 |
| Operating materials | 54,544 | 48,870 |
| Raw materials for construction contracts (external customers) | 8,774 | 12,264 |
| Total | 63,318 | 61,134 |

Inventories are presented net of losses to adjust to their net realizable value, and these adjustments are mainly due to obsolescence and, when constituted, are recognized in income for the year. On 30 June 2021, the provisioned balance was R\$1.8 million (2020: R\$1.8 million).

6. Recoverable taxes

| | Parent Company | | Consolidated | |
|--|----------------|--------------|----------------|----------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| PIS and COFINS recoverable | 41 | 55 | 91,099 | 66,000 |
| Income tax and social contribution recoverable | 6,541 | 6,647 | 35,810 | 36,310 |
| ISS recoverable | 1 | 1 | 5,198 | 4,853 |
| INSS recoverable | - | - | 1,484 | 1,057 |
| FUNDAF recoverable | - | - | 786 | 1,232 |
| Judiciary bond recoverable | 228 | 228 | 609 | 6,929 |
| Other recoverable taxes | 23 | 3 | 253 | 434 |
| Total recoverable taxes current | 6,834 | 6,934 | 135,239 | 116,815 |
| PIS and COFINS recoverable | - | - | 16,538 | 42,748 |
| Judiciary bond recoverable | 1,265 | 1,265 | 11,271 | 11,394 |
| INSS recoverable | - | - | 3,053 | 3,053 |
| Total recoverable taxes non-current | 1,265 | 1,265 | 30,862 | 57,195 |
| Total | 8,099 | 8,199 | 166,101 | 174,010 |

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

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information

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7. Dividends receivable and payable

| | Parent Company | | Consolidated | |
|--|----------------|----------------|--------------|---------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Saveiros Camuyrano Serviços Marítimos S.A. | - | 226,672 | - | - |
| Wilson Sons Serviços Marítimos Ltda. | 211,671 | - | - | - |
| Wilport Operadores Portuários Ltda. | - | 100,000 | - | - |
| Wilson Sons Terminais e Logística Ltda. | 51,000 | - | - | - |
| Wilson, Sons Agência Marítima Ltda. | - | 9,000 | - | - |
| Wilson, Sons Shipping Services Ltda. | 3,000 | - | - | - |
| Total | 265,671 | 335,672 | - | - |
| Amounts to be paid: | | | | |
| Wilson Sons Limited | - | 31,673 | - | 31,673 |
| Total | - | 31,673 | - | 31,673 |

Movement of dividends in the period:

| | Parent Company | Consolidated |
|--------------------------------|----------------|---------------|
| On 31 December 2019 | 66,602 | 66,727 |
| Destinations | 245,832 | 252,232 |
| Payments | (278,650) | (285,175) |
| Others | (2,111) | (2,111) |
| On 31 December 2020 | 31,673 | 31,673 |
| Destinations | - | 4,875 |
| Payments | (31,673) | (36,548) |
| Balance on 30 June 2021 | - | - |

Wilson Sons Holdings Brasil S.A.

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(All amounts in thousands of reais, unless otherwise stated)

8. Investments

8.1. Invested

Details of the Company's subsidiaries, and other entities and operations under its control, on the base date of this financial information, are shown below:

| | Place of constitution | Percentage of participation | | | |
|--|-----------------------|-----------------------------|----------|------------|----------|
| | | 30/06/2021 | | 31/12/2020 | |
| | | Direct | Indirect | Direct | Indirect |
| <u>Subsidiaries</u> | | | | | |
| Towage | | | | | |
| Saveiros, Camuyrano Serviços Marítimos S.A. ⁽¹⁾ | Rio de Janeiro | - | - | 100.00% | - |
| Shipyard | | | | | |
| Wilson Sons Shipping Services Ltda. | Rio de Janeiro | 100.00% | - | 100.00% | - |
| Wilson Sons Estaleiros Ltda. | Rio de Janeiro | 100.00% | - | 100.00% | - |
| Ship agency | | | | | |
| Wilson Sons Agência Marítima Ltda. ⁽²⁾ | Rio de Janeiro | - | - | 100.00% | - |
| Dock Market Soluções Ltda. | Rio de Janeiro | 90.00% | - | 90.00% | - |
| Logistics | | | | | |
| Wilson Sons Terminais e Logística Ltda. ⁽³⁾ | Rio de Janeiro | 100% | - | - | 100.00% |
| EADI Santo André Terminais de Cargas Ltda. ⁽⁴⁾ | São Paulo | - | - | - | 100.00% |
| Allink Transportes Internacionais Ltda. ⁽⁵⁾ | São Paulo | 50.00% | - | 50.00% | - |
| Container terminal | | | | | |
| Wilport Operadores Portuários Ltda. ⁽³⁾ | Rio de Janeiro | - | - | 100.00% | - |
| | Rio Grande do Sul | | | | |
| Tecon Rio Grande S.A. | Sul | - | 100.00% | - | 100.00% |
| Tecon Salvador S.A | Bahia | - | 100.00% | - | 100.00% |
| Offshore support bases | | | | | |
| Wilson Sons Serviços Marítimos Ltda. | Rio de Janeiro | 100.00% | - | 100.00% | - |
| <u>Joint ventures</u> | | | | | |
| Offshore | | | | | |
| Wilson Sons Ultratug Participações Ltda. ⁽⁶⁾ | Rio de Janeiro | 50.00% | - | 49.13% | - |
| Logistics | | | | | |
| Porto Campinas, Logística e Intermodal Ltda | São Paulo | 50.00% | - | 50.00% | - |

(1) In January 2021, the subsidiary Saveiros, Camuyrano Serviços Marítimos S.A. was merged into Wilson Sons Serviços Marítimos Ltda.

(2) In January 2021, the subsidiary Wilson, Sons Agência Marítima Ltda was incorporated by Wilson Sons Shipping Services Ltda.

(3) In January 2021, the subsidiary Wilport Operadores Portuários Ltda was merged into Wilson Sons Logística Ltda, becoming known as Wilson Sons Terminais e Logística Ltda.

(4) In January 2021, the subsidiary Eadi Santo André Terminais de Carga Ltda was merged into Wilson Sons Terminais e Logística Ltda.

(5) In January 2021, the subsidiary Allink Services e Gerenciamento de Cargas Ltda was merged into Allink Transportes Internacionais Ltda.

(6) In February 2021, Wilson Sons Limited paid in the Company's capital by transferring 891,482 shares, totalling R\$3,243,644.00 corresponding to the entire equity interest held in Wilson, Sons Ultratug Participações S/A.

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(All amounts in thousands of reais, unless otherwise stated)

The investments presented in the parent company's financial information evaluated under the equity method are shown as follows:

| 30/06/2021 | | | | | | | | | |
|---|------------------|-----------------------------|---------------|--|------------------------------------|----------------|--|----------------------------------|--------------------------|
| | Number of shares | Percentage of participation | Share capital | Investee's adjusted shareholders' equity | Investee's adjusted profit or loss | Equity result | Equity results on construction contracts | Profit on construction contracts | Book value of investment |
| Wilson Sons Shipping Service Ltda | 121,230,446 | 100% | 37,436 | 78,253 | 8,228 | 8,228 | 4,086 | (109,651) | (31,398) |
| Wilson Sons Estaleiros Ltda. | 82,247,379 | 100% | 82,247 | 127,637 | (3,243) | (3,243) | (463) | (37,657) | 89,980 |
| Wilson Sons Serviços Marítimos Ltda | 256,556,250 | 100% | 427,340 | 728,726 | 80,067 | 80,067 | - | - | 728,726 |
| Wilson Sons Terminais e Logística Ltda | 225 | 100% | 450 | 563,731 | 52,110 | 52,110 | - | - | 563,731 |
| Allink Transportes Internacionais Ltda. | 3,192,931 | 50% | 450 | 1,902 | 8,374 | 4,181 | - | - | 951 |
| Wilson Sons Ultratug Participações Ltda. | 50,346,250 | 50% | 102,469 | 333,983 | (26,907) | (12,976) | - | - | 166,992 |
| Porto Campinas, Logística e Intermodal Ltda | 3,142,931 | 50% | 6,283 | 2,123 | (133) | (67) | - | - | 1,061 |
| Dock Market Soluções Ltda | 900,000 | 90% | 2,508 | 1,794 | (571) | (514) | - | - | 1,615 |
| | | | | | | 127,786 | 3,623 | (147,308) | 1,521,658 |

| 31/12/2020 | | | | | | | | | |
|--|------------------|-----------------------------|---------------|--|------------------------------------|----------------|--|----------------------------------|--------------------------|
| | Number of shares | Percentage of participation | Share capital | Investee's adjusted shareholders' equity | Investee's adjusted profit or loss | Equity result | Equity results on construction contracts | Profit on construction contracts | Book value of investment |
| Saveiros, Camuyrano Serviços Marítimos S.A. | 74,118,430 | 100.00% | 58,533 | 441,113 | 116,840 | 116,840 | - | - | 441,113 |
| Wilson Sons Agência Marítima Ltda. | 234,725 | 100.00% | 235 | 10,375 | 7,700 | 7,700 | - | - | 10,375 |
| Wilson Sons Shipping Services Ltda. | 121,230,446 | 100.00% | 36,517 | 63,524 | (17,460) | (17,460) | 7,766 | (117,865) | (54,341) |
| Wilport Operadores Portuários Ltda. | 480,279,861 | 100.00% | 470,742 | 511,958 | 121,319 | 121,319 | - | - | 511,958 |
| Wilson Sons Administração de Bens Ltda. | - | 0.00% | - | - | (298) | (298) | - | - | - |
| WS Participações Ltda. | - | 0.00% | - | - | 46 | 46 | - | - | - |
| Transamérica Visas Serviços de Despachos Ltda. | - | 0.00% | - | - | 515 | 515 | - | - | - |
| Wilson Sons Estaleiros Ltda. | 82,247,379 | 100.00% | 82,247 | 135,588 | (41,262) | (41,262) | 6,625 | (37,895) | 97,693 |
| Wilson Sons Serviços Marítimos Ltda. | 256,556,250 | 100.00% | 256,556 | 238,657 | (15,556) | (15,556) | - | - | 238,657 |
| Allink Transportes Internacionais Ltda. | 225 | 50.00% | 450 | 3,266 | 11,038 | 5,519 | - | - | 1,633 |
| Wilson Sons Ultratug Participações Ltda. | 50,346,250 | 49.13% | 102,469 | 373,353 | (77,457) | (38,055) | - | - | 183,108 |
| Porto Campinas, Logística e Intermodal Ltda | 3,142,931 | 50.00% | 6,286 | 2,257 | (244) | (122) | - | - | 1,129 |
| Dock Market Soluções Ltda. | 900,000 | 90.00% | 1,000 | 857 | (142) | (128) | - | - | 770 |
| | | | | | | 139,058 | 14,391 | (155,760) | 1,432,095 |

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The movement of investments in subsidiaries in the parent company financial information is as follows:

| 30/06/2021 | | | | | | | | | | | |
|--|---------------------|---------------------|---------------|---|----------------------------------|-----------------------------|-----------|---------------------------|--------------|--------------------------|---------------|
| Opening balance | Translation reserve | Derivative reserves | Equity result | Equity result on construction contracts | Profit on construction contracts | Capital increase | Dividends | Extinction /Incorporation | Stock option | Post-employment benefits | Final balance |
| Saveiros, Camuyrano Serviços Marítimos S.A. | 441,107 | - | - | - | - | - | - | (441,107) | - | - | - |
| Wilson Sons Agência Marítima Ltda. | 10,376 | - | - | - | - | - | - | (10,376) | - | - | - |
| Wilson Sons Shipping Service Ltda. | (54,340) | (2,942) | - | 8,228 | 4,086 | 3,910 | (714) | 10,376 | - | - | (31,396) |
| Wilport Operadores Portuários Ltda. | 511,960 | - | - | - | - | - | - | (511,960) | - | - | - |
| Wilson Sons Estaleiros Ltda. (*) | 97,693 | (4,741) | - | (3,243) | (463) | 700 | - | - | 32 | - | 89,978 |
| Wilson Sons Serviços Marítimos Ltda. | 238,658 | (31,170) | - | 80,067 | - | - | - | 441,107 | 74 | - | 728,736 |
| Wilson Sons Terminais e Logísticas Ltda. | - | (351) | - | 52,110 | - | - | - | 511,960 | 14 | - | 563,733 |
| Allink Transportes Internacionais Ltda. | 1,633 | - | - | 4,181 | - | - | (4,875) | - | - | - | 939 |
| Wilson Sons Ultratug Participações Ltda. | 183,108 | (6,511) | (3) | (12,976) | - | 3,374 | - | - | - | - | 166,992 |
| Dock Market Soluções Ltda. | 772 | - | - | (514) | - | 1,357 | - | - | - | - | 1,615 |
| Porto Campinas, Logística e Intermodal Ltda | 1,128 | - | - | (67) | - | - | - | - | - | - | 1,061 |
| | 1,432,095 | (45,715) | (3) | 127,786 | 3,623 | 4,610 | (5,589) | - | 120 | - | 1,521,658 |
| 31/12/2020 | | | | | | | | | | | |
| Opening balance | Translation reserve | Derivative reserves | Equity result | Equity result on construction contracts | Profit on construction contracts | Capital increase (decrease) | Dividends | Extinction /Constitution | Stock option | Post-employment benefits | Final balance |
| Saveiros, Camuyrano Serviços Marítimos S.A. | 533,037 | 136,379 | - | 116,840 | - | (12,049) | (334,804) | - | 255 | 1,449 | 441,107 |
| Wilson Sons Agência Marítima Ltda. | 12,435 | 2,450 | - | 7,700 | - | - | (12,500) | - | - | 291 | 10,376 |
| Wilson Sons Shipping Services Ltda. | (31,772) | 17,161 | - | (17,460) | 7,766 | (28,140) | (2,000) | - | - | 105 | (54,340) |
| Wilport Operadores Portuários Ltda. | 613,051 | - | - | 121,319 | - | - | (222,410) | - | - | - | 511,960 |
| Wilson Sons Administração de Bens Ltda. | 5,202 | - | - | (298) | - | - | - | (4,904) | - | - | - |
| WS Participações Ltda. | 5,067 | - | - | 46 | - | - | - | (5,113) | - | - | - |
| Transamérica Visas Serviços de Despachos Ltda. | 2,269 | - | - | 515 | - | - | (1,000) | (1,784) | - | - | - |
| Wilson Sons Estaleiros Ltda. (*) | 82,942 | 34,512 | - | (41,262) | 6,625 | (10,029) | 24,800 | - | 96 | 9 | 97,693 |
| Wilson Sons Serviços Marítimos Ltda. | 250,686 | - | - | (15,556) | - | 3,500 | - | - | - | 28 | 238,658 |
| Allink Transportes Internacionais Ltda. | 2,479 | - | - | 5,519 | - | - | (6,365) | - | - | - | 1,633 |
| Wilson Sons Ultratug Participações Ltda. | 173,354 | 47,786 | (96) | (38,055) | - | - | - | - | - | 119 | 183,108 |
| Porto Campinas, Logística e Intermodal Ltda | 1,129 | - | - | (122) | - | 121 | - | - | - | - | 1,128 |
| Dock Market Soluções Ltda. | - | - | - | (128) | - | - | - | 900 | - | - | 772 |
| | 1,649,879 | 238,288 | (96) | 139,058 | 14,391 | (38,169) | 16,372 | (579,079) | (10,901) | 351 | 1,432,095 |

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The investments presented in the consolidated financial information evaluated under the equity method are shown as follows:

| 30/06/2021 | | | | | | | | |
|---|------------------|-----------------------------|----------------|--|---|--------------------|----------------|--------------------------|
| | Number of shares | Percentage of participation | Share capital | Investee's adjusted shareholders' equity | Elimination of profit on construction contracts | Result of invested | Equity result | Book value of investment |
| Wilson Sons Ultratug Participações Ltda. | 50,346,250 | 50.00% | 102,469 | 333,983 | (130,052) | (15,980) | (7,990) | 101,961 |
| Porto Campinas, Logística e Intermodal Ltda | 3,142,931 | 50.00% | 6,286 | 2,123 | - | (133) | (67) | 1,061 |
| | | | 108,755 | 336,106 | (130,052) | (16,113) | (8,057) | 103,022 |

| 31/12/2020 | | | | | | | | |
|---|------------------|-----------------------------|----------------|--|---|--------------------|-----------------|--------------------------|
| | Number of shares | Percentage of participation | Share capital | Investee's adjusted shareholders' equity | Elimination of profit on construction contracts | Result of invested | Equity result | Book value of investment |
| Wilson Sons Ultratug Participações Ltda. | 50,346,250 | 49.13% | 102,469 | 373,353 | (144,936) | (58,331) | (28,645) | 111,903 |
| Porto Campinas, Logística e Intermodal Ltda | 3,142,931 | 50.00% | 6,286 | 2,257 | - | (244) | (122) | 1,128 |
| | | | 108,755 | 375,610 | (144,936) | (58,575) | (28,767) | 113,031 |

The movement of investments in joint ventures, presented in the consolidated financial information, is as follows:

| 30/06/2021 | | | | | |
|---|-----------------|---------------------|---|----------------|------------------|
| | Opening balance | Translation reserve | Elimination of profit on construction contracts | Equity result | Capital increase |
| Wilson Sons Ultratug Participações Ltda. | 110,667 | (816) | 100 | (7,990) | - |
| Porto Campinas, Logística e Intermodal Ltda | 1,128 | - | - | (67) | - |
| | 111,795 | (816) | 100 | (8,057) | - |

| 31/12/2020 | | | | | |
|---|-----------------|---------------------|---|-----------------|------------------|
| | Opening balance | Translation reserve | Elimination of profit on construction contracts | Equity result | Capital increase |
| Wilson Sons Ultratug Participações Ltda. | 110,667 | 29,651 | 230 | (28,645) | - |
| Porto Campinas, Logística e Intermodal Ltda | 1,129 | - | - | (122) | 121 |
| | 111,796 | 29,651 | 230 | (28,767) | 121 |

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8.2. Joint operations and joint ventures

| | Place of constitution | Interest % - Parent Company | | | |
|--|-----------------------|-----------------------------|----------|------------|----------|
| | | 30/06/2021 | | 31/12/2020 | |
| | | Direct | Indirect | Direct | Indirect |
| Joint ventures | | | | | |
| <i>Offshore</i> | | | | | |
| Wilson Sons Ultratug Participações Ltda. | Rio de Janeiro | 50.00% | - | 49.13% | - |
| <i>Logistics</i> | | | | | |
| Porto Campinas, Logística intermodal Ltda. | Rio de Janeiro | 50.00% | - | 50.00% | - |
| Joint operations | | | | | |
| <i>Towage</i> | | | | | |
| Consórcio de Rebocadores da Baía de São Marcos | Maranhão | - | 50.00% | - | 50.00% |

8.3. Joint operations

The following amounts are included in the financial statements because of the proportional consolidation of joint ventures and consortia:

| | 30/06/2021 | 31/12/2020 |
|-----------------------------------|------------|------------|
| Intangible assets | - | 10 |
| Vehicles, plant, and equipment | 7,253 | 9,571 |
| Inventories | 835 | 967 |
| Trade and other trade receivables | 5,072 | 5,145 |
| Cash and cash equivalents | 6,107 | 7,319 |
| Total assets | 19,267 | 23,012 |
| Trade and other trade payables | (18,610) | (22,020) |
| Deferred tax liabilities | (657) | (992) |
| Total liabilities | (19,267) | (23,012) |

| | Three-Month Period | | Six-Month Period | |
|------------|--------------------|------------|------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Revenues | - | 6,261 | - | 19,545 |
| Expenses | (1,831) | (4,500) | (2,670) | (9,546) |
| Net income | (1,831) | 1,761 | (2,670) | 9,999 |

8.4. Joint ventures

The following balances are not consolidated in the Company's financial statements, considered joint ventures. The Company's interests in joint ventures are equity accounted.

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| | 30/06/2021 | 31/12/2020 |
|-------------------------------------|------------------|------------------|
| Cash and cash equivalents | 137,172 | 71,302 |
| Long-term investment | 10,735 | 11,085 |
| Trade and other trade receivables | 134,274 | 149,509 |
| Other assets | 49,081 | 53,757 |
| Vehicles, plant, and equipment | 2,474,410 | 2,627,031 |
| Right of use | 22,825 | 50,845 |
| Total assets | 2,828,497 | 2,963,529 |
| Trade and other trade payables | 352,033 | 280,174 |
| Bank loans | 1,997,383 | 2,090,902 |
| Lease liabilities | 336,106 | 52,388 |
| Other non-current liabilities | 23,835 | 164,455 |
| Equity | 119,140 | 375,610 |
| Total liabilities and equity | 2,828,497 | 2,963,529 |

| | Three-Month Period | | Six-Month Period | |
|-------------------------------------|--------------------|-----------------|------------------|-----------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Net operating revenue | 138,441 | 135,801 | 270,948 | 267,351 |
| Service costs | (117,171) | (120,366) | (252,412) | (224,540) |
| Gross profit | 21,270 | 15,435 | 18,536 | 42,811 |
| Selling expenses | (19) | (151) | (89) | (225) |
| General and administrative expenses | (20,404) | (15,997) | (35,109) | (30,820) |
| Other operating expenses, net | (336) | (214) | (305) | (257) |
| Income before financial result | 511 | (927) | (16,967) | 11,509 |
| Financial result | 41,697 | (38,545) | (18,701) | (142,364) |
| Loss before tax | 42,208 | (39,472) | (35,668) | (130,855) |
| Income tax expense | (37,841) | 21,612 | 19,555 | 70,627 |
| Loss for the period | 4,367 | (17,860) | (16,113) | (60,228) |

We have not separately disclosed all material Joint Ventures because they belong to the same economic group and are managed unified.

Guarantees

Loan agreements of Wilson, Sons Ultratug Participações S.A., and subsidiaries with the BNDES are guaranteed by a lien on the financed vessels and in most of the contracts a corporate guarantee from both Wilson Sons Holdings Brasil e da Remolcadores Ultratug Ltda., each guaranteeing 50% of its subsidiary's debt balance with the BNDES. Financing, equivalent to 50%, totals R\$855.2 million (2020: R\$887.2 million).

Wilson, Sons Ultratug Participações S.A. subsidiary's loan agreement with Banco do Brasil is guaranteed by a pledge on the financed offshore support vessels. The security package also includes a standby letter of credit issued by Banco de Crédito e Inversiones - Chile for part of the debt balance, assignment of Petrobras' long-term contracts and a corporate guarantee issued by Inversiones Magallanes Ltda. - Chile. A cash reserve account of R\$11.1 million, classified as a long-term investment, must be maintained until full repayment of the loan agreement. Financing, equivalent to 50%, totals R\$147.7 million (2020: R\$133.7 million).

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Covenants

On 30 June 2021, Wilson, Sons Ultratug Participações S.A.'s subsidiary did not comply with one of the covenants ratios. On the assumption of a non-attainment, the joint venture's subsidiary must increase its capital, within a year, in the amount necessary to reach the ratio of R\$30.0 million. Since there was already a financial contribution through an advance for a future capital increase in the first half of 2021, the Management understands that there is no breach of a clause or event that prompts negotiation or a waiver letter from Banco do Brasil. There are no other capital commitments for any of the joint ventures or joint operations.

Provision for tax, labour, civil and environmental risks

In its ordinary course of business in Brazil, Wilson, Sons Ultratug Offshore S.A. (WSUT) remains exposed to numerous local legal claims. The WSUT policy is to vigorously contest such claims, many of which appear to have little substance in merit and to manage such claims through its legal counsel.

WSUT booked provisions related to labour claims amounting to R\$0.4 million (2020: R\$0.4 million), whose probability of loss was estimated as probable.

In addition to the cases for which WSUT booked the provision, there are other tax, civil, labour and environmental disputes amounting to R\$28.5 million (2020: R\$31.8 million) whose probability of loss was estimated by the legal counsel as probable.

The breakdown of possible claims is described as follows:

| | 30/06/2021 | 31/12/2020 |
|---------------|---------------|---------------|
| Tax cases | 27,956 | 29,158 |
| Labour claims | 3,388 | 2,624 |
| Civil claims | 20 | 20 |
| Total | 31,364 | 31,802 |

9. Impairment Test of the Cash Generate Units

Impairment

The Company annually tests its assets for impairment or when there is an indication that the book value may not be recoverable.

The recoverable amount of a Cash Generating Unit (CGU) is determined based on value-in-use calculations. These calculations use cash flow forecasts based on financial budgets approved by management for five years.

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Discount rates represent the assessment of risks in the current market, specific to each cash-generating unit, considering the carrying value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the Company's specific circumstances and is derived from weighted average capital costs (CCMP). CCMP considers both the cost of debt and equity. The cost of equity is derived from the expected income on investment by investors. The cost of debt is based on interest-bearing financing that the Company is required to honour. The specific risk of the logistics and port segments (for the UGCs Tecon Rio Grande and Tecon Salvador), and the oil and gas segment, are incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

No apparent impairment of tangible and intangible assets was identified for the six-month period ended 30 June 2021 and the fiscal year ended 31 December 2020.

10. Property, plant, and equipment

Changes in the parent company's property, plant, and equipment in the period:

| | Lands and buildings | Vehicles, machines and equipment | Total |
|--|--------------------------------|---|--------------|
| Cost or valuation | | | |
| On 31 December 2019 | 428 | 864 | 1,292 |
| Additions | 51 | 35 | 86 |
| Disposals | (337) | - | (337) |
| Foreign currency loss in respect of translation into Brazilian Reais | 38 | 248 | 286 |
| On 31 December 2020 | 180 | 1,147 | 1,327 |
| Additions | - | 8 | 8 |
| Foreign currency loss in respect of translation into Brazilian Reais | (7) | (43) | (50) |
| On 30 June 2021 | 173 | 1,112 | 1,285 |
| Accumulated depreciation | | | |
| On 31 December 2019 | 145 | 589 | 734 |
| Charge for the year | - | 162 | 162 |
| Disposals | (45) | - | (45) |
| Foreign currency loss in respect of translation into Brazilian Reais | 30 | 172 | 202 |
| On 31 December 2020 | 130 | 923 | 1,053 |
| Charge for the year | - | 85 | 85 |
| Foreign currency loss in respect of translation into Brazilian Reais | (5) | (40) | (45) |
| On 30 June 2021 | 125 | 968 | 1,093 |
| | 125 | 968 | 1,093 |
| Carrying amount | | | |
| On 30 June 2021 | 48 | 144 | 192 |
| On 31 December 2020 | 50 | 224 | 274 |

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(All amounts in thousands of reais, unless otherwise stated)

Changes in consolidated property, plant, and equipment in the period:

| | Land and buildings | Vessels | Vehicles, machines and equipment | Assets under construction | Total |
|---|-----------------------|------------------|--|------------------------------|------------------|
| Cost or valuation | | | | | |
| On 31 December 2019 | 1,263,353 | 2,081,297 | 931,999 | 1,177 | 4,277,826 |
| Additions | 128,547 | 52,762 | 134,249 | - | 315,558 |
| Transfers | 794 | (614) | (180) | - | - |
| Transfer to right-of-use | - | - | (2,434) | - | (2,434) |
| Transfers from intangible assets | - | - | (604) | - | (604) |
| Disposals | (21,269) | (5,151) | (25,004) | - | (51,424) |
| Foreign currency loss in respect of translation into Brazilian Reais | 80,081 | 602,490 | 48,253 | 341 | 731,165 |
| On 31 December 2020 | 1,451,506 | 2,730,784 | 1,086,279 | 1,518 | 5,270,087 |
| Additions | 19,805 | 52,076 | 12,455 | 4,468 | 88,804 |
| Transfers | (125) | - | 125 | - | - |
| Transfer between Vehicles, plant, and equipment and intangible assets | (4) | - | - | - | (4) |
| Disposals | 224 | (656) | (2,974) | - | (3,406) |
| Foreign currency loss in respect of translation into Brazilian Reais | (21,979) | (105,493) | (8,455) | (425) | (136,352) |
| On 30 June 2021 | 1,449,427 | 2,676,711 | 1,087,430 | 5,561 | 5,219,129 |
| Accumulated depreciation | | | | | |
| On 31 December 2019 | 370,607 | 876,143 | 503,630 | - | 1,750,380 |
| Additions | 34,659 | 149,451 | 61,342 | - | 245,452 |
| Elimination on construction contracts | - | 67 | - | - | 67 |
| Transfer to right-of-use | - | - | (2,328) | - | (2,328) |
| Disposals | (13,968) | (4,386) | (24,407) | - | (42,761) |
| Foreign currency loss in respect of translation into Brazilian Reais | 22,506 | 254,933 | 32,232 | - | 309,671 |
| On 31 December 2020 | 413,804 | 1,276,208 | 570,469 | - | 2,260,481 |
| Additions | 21,263 | 72,110 | 35,393 | - | 128,766 |
| Elimination on construction contracts | - | 134 | - | - | 134 |
| Disposals | - | (609) | (2,511) | - | (3,120) |
| Foreign currency loss in respect of translation into Brazilian Reais | (5,784) | (52,898) | (5,869) | - | (64,551) |
| On 30 June 2021 | 429,283 | 1,294,945 | 597,482 | - | 2,321,710 |
| Carrying amount | | | | | |
| On 30 June 2021 | 1,020,144 | 1,381,766 | 489,948 | 5,561 | 2,897,419 |
| On 31 December 2020 | 1,037,702 | 1,454,576 | 515,810 | 1,518 | 3,009,606 |

Land and buildings with a net carrying amount of R\$1.1 million (2020: R\$1.1 million) and plant and equipment with a net carrying amount of R\$0.6 million (2020: R\$0.5 million) have been pledged as collateral for various tax lawsuits.

The Group has pledged assets with a carrying amount of approximately R\$1.263 billion (2020: R\$1,318 billion) to secure loans granted to the Group.

Borrowing costs capitalized in 2020 totalled R\$15.6 million at an average interest rate of 2.49%. In 2021, there are no capitalized borrowing costs.

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On 30 June 2021, the Group had contractual commitments to suppliers for the acquisition and construction of Vehicles, plants, and equipment amounting to R\$54.5 million (2020: R\$8.3 million). The amount mainly refers to investments in the Salvador container terminal with smaller amounts related to the Rio Grande container terminal and Offshore support bases.

On 31 December 2020 and 30 June 2021, the Company did not identify any impairment on these assets.

11. Lease operations

11.1 Right-of-use

Parent Company

| Right-of-use by class of asset | Operational assets | Vessels | Buildings | Vehicles, plant, and equipment | Finance Leases | Total |
|--|--------------------|---------|------------|--------------------------------|----------------|------------|
| Cost or valuation | | | | | | |
| On 31 December 2019 | - | - | 82 | 180 | - | 262 |
| Contractual amendments | - | - | 1 | 6 | - | 7 |
| Foreign currency loss in respect of translation into Brazilian Reais | - | - | 24 | 52 | - | 76 |
| On 31 December 2020 | - | - | 107 | 238 | - | 345 |
| Foreign currency loss in respect | - | - | (4) | (10) | - | (14) |
| On 30 June 2021 | - | - | 103 | 228 | - | 331 |
| Accumulated amortisations | | | | | | |
| On 31 December 2019 | - | - | 14 | 66 | - | 80 |
| Charge for the year | - | - | 19 | 101 | - | 120 |
| Foreign currency loss in respect of translation into Brazilian Reais | - | - | 4 | 20 | - | 24 |
| On 31 December 2020 | - | - | 37 | 187 | - | 224 |
| Additions | - | - | 9 | 49 | - | 58 |
| Foreign currency loss in respect | - | - | (2) | (11) | - | (13) |
| On 30 June 2021 | - | - | 44 | 225 | - | 269 |
| Carrying amount | | | | | | |
| On 30 June 2021 | - | - | 59 | 3 | - | 62 |
| On 31 December 2020 | - | - | 70 | 51 | - | 121 |

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Consolidated

| Right-of-use by class of asset | Operational assets | Vessels | Buildings | Vehicles, plant, and equipment | Finance Leases | Total |
|--|--------------------|---------------|---------------|--------------------------------|----------------|------------------|
| Cost or valuation | | | | | | |
| On 31 December 2019 | 749,815 | 18,063 | 25,893 | 14,674 | 36,526 | 844,971 |
| Contractual amendments | 41,612 | 280 | 1,039 | 454 | - | 43,385 |
| Additions | 8,280 | 18,949 | 106 | 654 | - | 27,989 |
| Transfer from property, plant, and equipment | - | - | - | - | 2,434 | 2,434 |
| Finished contracts | - | - | (820) | (336) | (5,307) | (6,463) |
| Foreign currency loss in respect of translation into Brazilian Reais | 4,277 | 529 | 2,551 | 1,550 | 2 | 8,909 |
| On 31 December 2020 | 803,984 | 37,821 | 28,769 | 16,996 | 33,655 | 921,225 |
| Contractual amendments | 186,729 | 604 | 46 | 11 | - | 187,390 |
| Additions | - | 40,266 | 89 | 800 | - | 41,155 |
| Finished contracts | - | - | (421) | (34) | (2,095) | (2,550) |
| Foreign currency loss in respect of translation into Brazilian Reais | (1,554) | (966) | (2,412) | (503) | (408) | (5,843) |
| On 30 June 2021 | 989,159 | 77,725 | 26,071 | 17,270 | 31,152 | 1,141,377 |
| Accumulated amortisations | | | | | | |
| On 31 December 2019 | 33,330 | 9,173 | 5,821 | 3,691 | 31,109 | 83,124 |
| Charge for the year | 37,579 | 15,689 | 5,697 | 4,068 | 1,407 | 64,440 |
| Transfer from property, plant, and equipment | - | - | - | - | 2,328 | 2,328 |
| Finished contracts | - | - | (272) | (165) | (5,318) | (5,755) |
| Foreign currency loss in respect of translation into Brazilian Reais | 486 | (178) | 500 | 462 | 65 | 1,335 |
| On 31 December 2020 | 71,395 | 24,684 | 11,746 | 8,056 | 29,591 | 145,472 |
| Additions | 19,529 | 10,988 | 2,710 | 1,681 | 593 | 35,501 |
| Contracts | - | - | (239) | (79) | (1,089) | (1,407) |
| Foreign currency loss in respect of translation into Brazilian Reais | (206) | (677) | (1,705) | (288) | (347) | (3,223) |
| On 30 June 2021 | 90,718 | 34,995 | 12,512 | 9,370 | 28,748 | 176,343 |
| Carrying amount | | | | | | |
| On 30 June 2021 | 898,441 | 42,730 | 13,559 | 7,900 | 2,404 | 965,034 |
| On 31 December 2020 | 732,589 | 13,137 | 17,023 | 8,940 | 4,064 | 775,753 |

On 31 December 2020 and 30 June 2021, the Company did not identify any impairment on these assets.

Operational assets

The main lease commitments for operational assets are described below:

Rio Grande container terminal

The Rio Grande container terminal lease was signed on 3 February 1997 for 25 years renewable for a further 25. Given the compliance with the contractual requirements and advanced investments in the expansion works of the terminal, construction of the third berth of docking and the annual volume handled together with other considerations. The Rio Grande container terminal was granted the right to renew the lease as outlined in the first amendment signed on 7 March 2006.

Among the commitments outlined in the Lease Agreement and its Addendum, the following are highlighted:

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- Monthly payment for facilities and leased areas;
- Payment by container moved, with a commitment for minimum contractual movement (MMC);
- Pay per tonne in general cargo handling and unloading.

Salvador container terminal

Tecon Salvador S.A. has the right to lease and operate the Container and Heavy and Unitized Cargo Terminal (Liaison Quay) in the Port of Salvador for 25 years early renewed in 2016 for a further 25 years, to March 2050.

The total lease term of 50 years, until March 2050, is provided in the Second Addendum to the Rental Agreement. This addendum provides for the expansion of the lease area through completing minimum investments.

As a result of the lease agreement with CODEBA, the Company has the following commitments:

- Payment of monthly instalments readjusted for the minimum periodicity established in the contract;
- Payment for the lease of the existing area and the area added under the terms of the second contractual addendum;
- Payment of minimum contractual movement - MMC.

Wilson Sons shipyards

Wilson Sons shipyards lease commitments mainly refer to a 60-year lease right of its operational asset from June 2008 (30 years, renewable for a further period of 30 years, under Group's sole option). Management intends to exercise its renewal option.

Offshore support bases

Offshore support base lease commitments mainly refer to a 30-year lease right to operate in a sheltered area at Guanabara Bay, Rio de Janeiro, Brazil, with a privileged position to service the Campos and Santos oil-producing basins.

Logistics

Logistics lease commitments mainly refer to the bonded terminals and distribution centres located in Santo André and Suape with terms between eighteen and twenty-four years.

Vessels

Chartering of vessels for maritime transport between container terminals and towage operations.

The payments related to the quantity of vessel trips were not included in the measurement of lease liabilities because they relate to variable payments.

Buildings

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

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Vehicles, plant, and equipment

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

Finance Leases

Lease contracts previously classified under CPC 06 (R1) and substantially represented by Machines and Equipment.

11.2. Lease liability

Parent Company

| Lease liabilities by class of asset | Discount Rate | 30/06/2021 | 31/12/2020 |
|-------------------------------------|---------------|------------|------------|
| Buildings | 8.75% | 51 | 57 |
| Vehicles, plant, and equipment | 11.86% | 3 | 42 |
| Total | | 54 | 99 |
| Total current | | 19 | 58 |
| Total noncurrent | | 35 | 41 |

Consolidated

| Lease liabilities by class of asset | Discount Rate | 30/06/2021 | 31/12/2020 |
|-------------------------------------|----------------|------------------|----------------|
| Operational assets | 5.17% - 9.33% | 958,824 | 782,175 |
| Vessels | 7.75% - 8.54% | 45,143 | 14,337 |
| Buildings | 4.41% - 9.80% | 12,781 | 15,235 |
| Vehicles, plant, and equipment | 4.87% - 12.90% | 8,078 | 8,780 |
| Total | | 1,024,826 | 820,527 |
| Total current | | 118,677 | 94,538 |
| Total noncurrent | | 906,149 | 725,989 |

The breakdown of lease liabilities by maturity is as follows:

| Maturity analysis – contractual undiscounted cash flows | Parent Company | | Consolidated | |
|---|----------------|------------|------------------|------------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Within one year | 20 | 61 | 124,757 | 99,533 |
| In the second year | 17 | 17 | 114,085 | 90,239 |
| In the third to fifth years (including) | 25 | 34 | 323,746 | 256,471 |
| After five years | - | - | 1,866,318 | 1,521,418 |
| Total undiscounted lease liabilities | 62 | 112 | 2,428,906 | 1,967,661 |
| Adjustment to present value | (8) | (13) | (1,404,080) | (1,147,134) |
| Total lease liabilities | 54 | 99 | 1,024,826 | 820,527 |

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Inflation adjustment of the lease liabilities

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

| | Parent Company | | Consolidated | |
|-------------------|----------------|------------|--------------|-------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Actual flow | 62 | 112 | 2,428,906 | 1,967,661 |
| Embedded interest | (8) | (13) | (1,404,080) | (1,147,134) |
| Lease liability | 54 | 99 | 1,024,826 | 820,527 |

| | Parent Company | | Consolidated | |
|-------------------|----------------|------------|--------------|-------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Inflated flow | 63 | 112 | 2,560,148 | 2,078,767 |
| Embedded interest | (9) | (12) | (1,504,313) | (1,231,027) |
| Lease liability | 54 | 100 | 1,055,835 | 847,740 |

11.3. Amounts recognised in profit or loss

Parent Company

| | Three-Month Period | | Six-Month Period | |
|--|--------------------|------------|------------------|------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Amortisation of right-of-use | 29 | 41 | 58 | 62 |
| Amortisation of PIS and COFINS | - | (9) | - | (9) |
| Interest on lease liabilities | 2 | 5 | 4 | 9 |
| Interest on PIS and COFINS | - | (1) | - | 1 |
| Expenses relating to short-term leases | 1 | 3 | 1 | 3 |
| Expenses relating to low-value assets | 1 | 1 | 1 | 1 |
| Total | 33 | 40 | 64 | 67 |

Consolidated

| | Three-Month Period | | Six-Month Period | |
|---|--------------------|-----------------|------------------|------------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Amortisation of right-of-use | (18,420) | (19,019) | (35,501) | (32,421) |
| Amortisation of PIS and COFINS | 1,751 | 5,108 | 3,368 | 6,406 |
| Interest on lease liabilities | (20,996) | (22,000) | (38,842) | (38,812) |
| Interest on PIS and COFINS | 1,395 | 3,880 | 2,400 | 5,148 |
| Variable lease payments not included in the measurement of lease liabilities ⁽¹⁾ | (4,160) | (2,641) | (6,012) | (4,795) |
| Expenses relating to short-term leases | (37,267) | (26,321) | (71,622) | (44,414) |
| Expenses relating to low-value assets | (342) | (1,377) | (1,696) | (2,747) |
| Total | (78,039) | (62,370) | (147,905) | (111,635) |

⁽¹⁾ The amount refers to payments that exceeded the minimum forecast volumes of the Rio Grande container terminal, and Salvador container terminals and payments related to the quantity of vessel trips were not included in the measurement of lease liabilities.

The Group cannot estimate the future cash outflows to variable lease payments due to operational, economics and exchange rate variabilities.

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11.4. Amounts recognised in the statement of cash flows

Parent Company

| | Three-Month Period | | Six-Month Period | |
|---------------------------------|--------------------|-------------|------------------|-------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Interest paid – lease liability | (2) | (6) | (4) | (10) |
| Short-term leases paid | (1) | (3) | (1) | (3) |
| Low value | (1) | (1) | (1) | (1) |
| Total | (4) | (10) | (6) | (14) |

Consolidated

| | Three-Month Period | | Six-Month Period | |
|---------------------------------|--------------------|-----------------|------------------|------------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Amortisation – lease liability | (21,484) | (9,077) | (23,531) | (16,114) |
| Interest paid – lease liability | (20,996) | (21,998) | (38,842) | (38,877) |
| Short-term leases paid | (37,267) | (26,321) | (71,622) | (44,414) |
| Variable lease payments paid | (4,160) | (2,641) | (6,012) | (4,795) |
| Low value | (342) | (1,377) | (1,696) | (2,747) |
| Total | (84,249) | (61,414) | (141,703) | (106,947) |

12. Intangible assets

Parent Company

| | Systems applications software | Exploration right | Goodwill on investments | Brands and patents | Total |
|----------------------------------|-------------------------------|-------------------|-------------------------|--------------------|---------------|
| Cost or valuation | | | | | |
| Balance on 31 December 2019 | 122 | 654 | 44,931 | 3 | 45,710 |
| Additions | 429 | - | - | - | 429 |
| Exchange effect | 22 | 189 | 12,998 | 1 | 13,210 |
| Balance on 31 December 2020 | 573 | 843 | 57,929 | 4 | 59,349 |
| Transfer | (439) | - | - | - | (439) |
| Exchange effect | 16 | (32) | (2,168) | (1) | (2,185) |
| On 30 June 2021 | 150 | 811 | 55,761 | 3 | 56,725 |
| Accumulated amortisations | | | | | |
| Balance on 31 December 2019 | 122 | 654 | - | - | 776 |
| Exchange effect | 35 | 189 | - | - | 224 |
| Balance on 31 December 2020 | 157 | 843 | - | - | 1,000 |
| Exchange effect | (7) | (32) | - | - | (39) |
| On 30 June 2021 | 150 | 811 | - | - | 961 |
| Carrying amount | | | | | |
| On 30 June 2021 | - | - | 55,761 | 3 | 55,764 |
| On 31 December 2020 | 416 | - | 57,929 | 4 | 58,349 |

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Consolidated

| | Systems apps software | Right of Exploration | Goodwill on investments | Brands and patents | Total |
|--|-----------------------------|-------------------------|----------------------------|-----------------------|----------------|
| Cost or valuation | | | | | |
| Balance on 31 December 2019 | 170,984 | 82,476 | 56,792 | 244 | 310,496 |
| Additions | 5,509 | - | - | - | 5,509 |
| Disposals | (107) | - | - | - | (107) |
| Transfer to property, plant, and equipment | 604 | - | - | - | 604 |
| Exchange effect | 36,629 | 189 | 12,994 | 2 | 49,814 |
| Balance on 31 December 2020 | 213,619 | 82,665 | 69,786 | 246 | 366,316 |
| Additions | 2,184 | - | - | - | 2,184 |
| Transfer to property, plant, and equipment | 4 | - | - | - | 4 |
| Disposals | (1,228) | - | - | - | (1,228) |
| Exchange effect | (6,487) | (1,944) | (2,166) | (3) | (10,600) |
| Balance on 30 June 2021 | 208,092 | 80,721 | 67,620 | 243 | 356,676 |
| Accumulated amortisations | | | | | |
| Balance on 31 December 2019 | 134,329 | 29,440 | - | - | 163,769 |
| Additions | 12,331 | 2,200 | - | - | 14,531 |
| Disposals | (104) | - | - | - | (104) |
| Reversal of impairment | - | (1,969) | - | - | (1,969) |
| Exchange effect | 31,942 | 189 | - | - | 32,131 |
| Balance on 31 December 2020 | 178,498 | 29,860 | - | - | 208,358 |
| Additions | 6,276 | 1,112 | - | - | 7,388 |
| Disposals | (1,227) | - | - | - | (1,227) |
| Exchange effect | (5,896) | (553) | - | - | (6,449) |
| Balance on 30 June 2021 | 177,651 | 30,419 | - | - | 208,070 |
| 30 June 2021 | 30,441 | 50,302 | 67,620 | 243 | 148,606 |
| 31 December 2020 | 35,121 | 52,805 | 69,786 | 246 | 157,958 |

The Company annually tests its assets for impairment or when there is an indication that the book value may not be recoverable. There is no indication of impairment of intangible assets to date.

13. Taxes payable

| | Parent Company | | Consolidated | |
|------------------------|----------------|------------|---------------|---------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| INSS payable | 158 | 127 | 9,664 | 9,796 |
| PIS and COFINS payable | 16 | 21 | 8,073 | 8,709 |
| ISS payable | 15 | 6 | 8,808 | 2,812 |
| Income tax payable | 129 | 203 | 7,332 | 6,425 |
| FGTS payable | 33 | 51 | 1,680 | 2,508 |
| Other taxes payable | 36 | 25 | 2,787 | 2,730 |
| Total | 387 | 433 | 38,344 | 32,980 |

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14. Bank and loans

| Secured borrowings | Interest rate % p.a. | Business | 30/06/2021 | 31/12/2020 |
|--|-------------------------|------------------------|------------------|------------------|
| BNDES - FMM linked to US Dollar ¹ | 2.30% - 3.71% | Tugs | 588,734 | 612,070 |
| BNDES - FMM linked to US Dollar ¹ | 2.07% - 4.08% | Shipyards | 135,064 | 140,625 |
| BNDES - FMM linked to US Dollar ¹ | 5.00% | Tugs | 6,625 | 8,339 |
| BNDES – Real | 6.64% - 13.23% | Container Terminals | 248,571 | 247,528 |
| BNDES – Real | 11.97% | Offshore support bases | 36,994 | 39,211 |
| BNDES - FMM Real ¹ | 8.59% | Tugs | 3,871 | 4,181 |
| Total BNDES | | | 1,019,859 | 1,051,954 |
| Banco do Brasil - FMM linked to US Dollar ¹ | 2.00% - 4.00% | Tugs | 374,117 | 393,885 |
| Bradesco - NCE – Real | 5.08% - 5.45% | Container Terminals | 176,220 | 200,907 |
| China Construction Bank – Real | 5.65% | Container Terminals | - | 71,020 |
| Santander – Real | 6.44% | Container Terminals | - | 31,977 |
| Itaú - NCE – Real | 3.38% | Container Terminals | - | 21,076 |
| Santander – Real | 6.44% | Tugs | - | 9,888 |
| Total others | | | 550,337 | 728,753 |
| Total | | | 1,570,196 | 1,780,707 |

(1) As agents of the Merchant Marine Fund (Fundo da Marinha Mercante - FMM), Banco Nacional de Desenvolvimento Econômico e Social ("BNDES") and Banco do Brasil ("BB") finance the construction of tugboats and shipyard facilities.

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

| | 30/06/2021 | 31/12/2020 |
|---|------------------|------------------|
| Within one year | 222,668 | 304,901 |
| In the second year | 193,647 | 232,329 |
| In the third to fifth years (including) | 477,531 | 500,182 |
| After five years | 676,350 | 743,295 |
| Total | 1,570,196 | 1,780,707 |
| Total current | 222,668 | 304,901 |
| Total noncurrent | 1,347,528 | 1,475,806 |

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Changes in bank loans are as follows:

| | R\$ |
|--|------------------|
| On 1 January 2020 | 1,350,196 |
| Additions | 271,022 |
| Principal amortisation | (125,350) |
| Interest amortisation | (43,554) |
| Accrued interest ⁽¹⁾ | 71,261 |
| Foreign currency loss in respect of translation into Brazilian Reais | 257,132 |
| On 31 December 2020 | 1,780,707 |
| Additions | 15,651 |
| Principal amortisation | (198,896) |
| Interest amortisation | (25,722) |
| Accrued interest ⁽¹⁾ | 41,774 |
| Other provisions | 145 |
| Foreign currency loss in respect of translation into Brazilian Reais | (43,463) |
| On 30 June 2021 | 1,570,196 |

(¹) It includes capitalised interest.

The analysis of borrowings by currency is as follows:

| | 30/06/2021 | 31/12/2020 |
|---------------------------|------------------|------------------|
| | R\$ | R\$ |
| Bank loans | | |
| Real | 76,718 | 175,023 |
| Real linked to US Dollars | 145,950 | 129,878 |
| Total current | 222,668 | 304,901 |
| Bank loans | | |
| Real | 388,936 | 450,764 |
| Real linked to US Dollars | 958,592 | 1,025,042 |
| Total non-current | 1,347,528 | 1,475,806 |
| Total | 1,570,196 | 1,780,707 |

Guarantees

Loans from BNDES and Banco do Brasil have a corporate guarantee from the Company or Wilson Sons Terminais e Logística Ltda. For some contracts, the corporate guarantee is additional to the pledge of the respective tugboat or lien on the logistics equipment.

The loan agreement for the Salvador and Rio Grande container terminals from Bradesco for equipment acquisition relies on a corporate guarantee from Wilson Sons Terminais e Logística Ltda.

The loan agreement from Itaú for equipment acquisition relies on a corporate guarantee from Wilson Sons Terminais e Logística Ltda.

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Undrawn credit facilities

On 30 June 2021, the Group had R\$72.3 million available (2020: R\$99.3 million) of undrawn borrowing facilities available concerning (i) the Salvador Terminal expansion; and (ii) the docking, maintenance, and repair of tugs. Additionally, the Group has R\$48.8 million in contracted financing for the future construction of tugboats, pending amendment to the contract related to vessel specification changes.

Fair value

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

| | 30/06/2021 | 31/12/2020 |
|-------------------------|------------------|------------------|
| Bank loans | | |
| BNDES | 1,019,860 | 1,051,954 |
| Banco do Brasil | 374,117 | 393,885 |
| Bradesco - NCE | 175,632 | 210,867 |
| China Construction Bank | - | 70,970 |
| Santander | - | 41,806 |
| Itaú | - | 21,100 |
| Total | 1,569,609 | 1,790,582 |

Covenants

Some of the Company's long-term financial instruments including obligations related to financial indicators, including Net Debt / EBITDA; PL / Total Debt; Current Liquidity Ratio; Debt Service Coverage Ratio.

Wilson Sons Holdings Brasil S.A. and Wilson Sons Terminais e Logística Ltda., as corporate guarantor, must comply with the covenants the financing agreements of Wilson Sons Estaleiros, da Wilson Sons Serviços Marítimos Ltda. and Tecon Salvador S.A., signed with BNDES and Bradesco.

Wilson Sons Holdings Brasil S.A. must comply with the following financial covenants with BNDES:

- EBITDA / Net operating revenue ≥ 0.165 ;
- EBITDA / Debt service ≥ 1.7 ;
- Equity / Total assets ≥ 0.3 ;
- Net Debt / EBITDA ≤ 3.0

Wilson Sons Terminais e Logística Ltda. must comply with the following financial covenants with BNDES and Bradesco:

- Debt service coverage ratio ≥ 1.3
- Net Debt / EBITDA ≤ 3.0
- Equity / Total assets ≥ 0.3

Wilson Sons Terminais e Logística Ltda. as corporate guarantor, it must comply with the covenants the financing agreements of Tecon Salvador S.A. and Tecon Rio Grande S.A., signed with Bradesco.

The subsidiary Tecon Salvador S.A. must comply with covenants in financing contracts, such as a Debt Coverage Ratio greater than or equal to 1.3 in contracts with BNDES to fund the terminal's expansion.

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In the normal course of its operations, the Company has complied with all applicable covenants and claims compliance with all obligations in financial contracts.

On 30 June 2021, the Company followed all covenants for the above-mentioned loan contracts.

15. Income tax expense

15.1. Income tax recognised in profit or loss:

| | Parent Company | | | | Consolidated | | | |
|--------------------------|--------------------|------------|------------------|------------|--------------------|------------|------------------|------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Current taxes | (284) | 53 | (284) | (168) | (32,444) | (40,018) | (78,820) | (75,443) |
| Deferred tax | 457 | (2,744) | (825) | (5,520) | 6,398 | 6,936 | 374 | (3,662) |
| Total income tax expense | 173 | (2,691) | (1,109) | (5,688) | (26,046) | (33,082) | (78,446) | (79,105) |

Brazilian income tax is calculated at 25% of the taxable profit for the period. Brazilian social contribution taxes are calculated at 9% of the taxable profit for the period.

The income tax expense for the period can be reconciled with the accounting profit as follows:

| | Parent Company | | | | Consolidated | | | |
|---|--------------------|------------|------------------|------------|--------------------|------------|------------------|------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Income before tax | 117,932 | 37,671 | 144,242 | 17,447 | 146,608 | 69,513 | 225,715 | 93,229 |
| Tax at the standard Brazilian tax rate (34%) | (40,097) | (12,808) | (49,042) | (5,932) | (49,847) | (23,634) | (76,743) | (31,698) |
| Exchange variation on loans | - | - | - | - | (53,072) | 13,960 | (18,433) | 93,643 |
| Tax effect of share of results of joint ventures | 24,365 | 12,169 | 44,679 | 5,055 | 742 | (2,999) | (2,739) | (10,056) |
| Tax effect of foreign exchange gain or loss on monetary items | 13,416 | (573) | 2,918 | 966 | 14,469 | (5,634) | 4,809 | (19,780) |
| Effect of exchange differences on the translation process of non-current assets | 24 | 3 | 17 | (22) | 67,294 | (10,108) | 34,147 | (98,336) |
| Stock Option | (101) | - | (114) | - | (121) | - | (155) | - |
| Non-deductible expenses | (252) | (27) | (411) | (118) | (4,631) | (4,894) | (5,919) | (5,404) |
| Unrecognized tax loss for the period | - | - | - | - | (554) | (3,909) | (781) | (6,322) |
| Leasing | - | - | - | - | 93 | 111 | 530 | 309 |
| Impact of the result converted by the historical rate versus the average rate (translation from dollar to real) | - | - | - | - | (17,200) | (13,645) | (17,200) | (13,645) |
| Tax subsidy | 2,456 | (959) | 735 | (5,109) | 165 | 5,952 | 165 | 5,952 |
| Others | 362 | (496) | 109 | (528) | 16,616 | 11,718 | 3,873 | 6,232 |
| Income tax expense | 173 | (2,691) | (1,109) | (5,688) | (26,046) | (33,082) | (78,446) | (79,105) |

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15.2. Deferred taxes

The table below corresponds to the analysis of deferred tax assets (liabilities) presented in the balance sheets:

Parent Company

| | Unrealised foreign exchange | Other timing differences | Non- monetary items | Total |
|--|-----------------------------------|--------------------------------|---------------------------|----------------|
| On 31 December 2019 | (9,216) | 6,260 | (27) | (2,983) |
| Charge (credit) to income | (3,944) | 1,229 | 10 | (2,705) |
| Other adjustments | - | (104) | - | (104) |
| Translation adjustment to Brazilian real | - | - | (14) | (14) |
| On 31 December 2020 | (13,160) | 7,385 | (31) | (5,806) |
| Charge (credit) to income | 703 | (1,544) | 16 | (825) |
| Translation adjustment to Brazilian real | - | - | 2 | 2 |
| On 30 June 2021 | (12,457) | 5,841 | (13) | (6,629) |

Consolidated

| | Tax depreciation | Unrealised foreign exchange | Tax losses | Profit under construction | Other timing differences | Non- monetary items | Total |
|--|---------------------|-----------------------------------|---------------|---------------------------------|--------------------------------|---------------------------|------------------|
| On 31 December 2019 | (150,249) | 118,420 | 60,189 | 67,989 | 28,835 | (206,831) | (81,647) |
| Charge (credit) to income | (2,970) | 71,038 | 16,549 | (7,414) | 2,212 | (60,747) | 18,668 |
| Other adjustments | - | - | (326) | - | 629 | - | 303 |
| Translation adjustment to Brazilian real | - | - | - | 19,663 | 467 | (68,423) | (48,293) |
| On 31 December 2020 | (153,219) | 189,458 | 76,412 | 80,238 | 32,143 | (336,001) | (110,969) |
| Charge (credit) to income | 45 | (18,138) | (11,827) | (1,869) | (1,984) | 34,147 | 374 |
| Translation adjustment to Brazilian real | - | - | - | (2,889) | 340 | 11,124 | 8,575 |
| On 30 June 2021 | (153,174) | 171,320 | 64,585 | 75,480 | 30,499 | (290,730) | (102,020) |

| | Parent Company | | Consolidated | |
|--------------------------|----------------|----------------|------------------|------------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Deferred tax assets | - | - | 116,883 | 153,995 |
| Deferred tax liabilities | (6,629) | (5,806) | (218,903) | (264,964) |
| Total | (6,629) | (5,806) | (102,020) | (110,969) |

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15.3. Tax losses

Deferred taxes over Net Operating Losses

At the end of the reporting period, the Group has a balance of R\$232.7 million (2020: R\$334.8 million) balance of tax losses carry forward available to be utilised against future taxable profits.

Brazil has no tax consolidation rules, and it applies ring-fencing on a legal entity basis in determining the utilisation of net operating losses (NOL) to carry forward.

Out of R\$78.2 million (2020: R\$112.5 million) total deferred tax assets from net operating losses, only R\$64.6 million (2020: R\$76.4 million) was recognised for accounting purposes at the end of the reporting period and is expected to be utilised against the cash-generating entities future taxable profits. The Company expects to recover the deferred tax assets between three and five years.

Deferred taxes over non-monetary items

As disclosed in Note 2 ("Basis of Preparation"), under CPC 02, the US dollar is the functional currency for the Company, and non-monetary items are re-measured using historical exchange rates. Changes in exchange rates and indexing for tax purposes will create differences between the Brazilian Reais cost of those items (tax basis) and the equivalent US dollar amount.

The deferred tax liability or asset for those differences is recognised to neutralise the effect of changes in exchange rates on non-monetary items measured at historical BRL/USD versus the exchange rates at the period close.

16. Provision for tax, labour, civil and environmental risks

Parent Company

| | <u>Tax cases</u> |
|-----------------------------------|------------------|
| On 31 December 2019 | 2,049 |
| Increase in provision in the year | 26 |
| On 31 December 2020 | 2,075 |
| Increase in provision in the year | 13 |
| On 30 June 2021 | 2,088 |

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Consolidated

| | Labour claims | Tax cases | Civil and environmental cases | Total |
|-------------------------------------|---------------|--------------|-------------------------------|---------------|
| On 31 December 2019 | 43,145 | 8,506 | 11,133 | 62,784 |
| Increase in provision in the year | 4,532 | 428 | 384 | 5,344 |
| Unused amounts reversed | (3,448) | (2,538) | (5,259) | (11,245) |
| Utilisation of provisions | (2,735) | (152) | (211) | (3,098) |
| On 31 December 2020 | 41,494 | 6,244 | 6,047 | 53,785 |
| Increase in provision in the period | 868 | 1,837 | 706 | 3,411 |
| Unused amounts reversed | (4,713) | (253) | - | (4,966) |
| Utilisation of provisions | (262) | - | (53) | (315) |
| On 30 June 2021 (restated) | 37,387 | 7,828 | 6,700 | 51,915 |

In the ordinary course of business in Brazil, the Company is exposed to numerous local legal claims. The Company's policy is to vigorously contest such claims, many of which appear to have little substance or merit, and manage such claims through its lawyers.

In addition to the cases for which the Company booked provisions, there are other tax, civil, labour and environmental disputes amounting to R\$399.8 million (2020: R\$402.2 million).

The breakdown of possible claims is described as follows:

| | Parent Company | | Consolidated | |
|--------------------------------|----------------|------------|----------------|----------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Tax cases | 134 | 133 | 295,584 | 305,611 |
| Civil and environmental claims | - | - | 73,316 | 69,208 |
| Labour claims | - | - | 30,875 | 27,354 |
| Total | 134 | 133 | 399,775 | 402,173 |

The main probable and possible claims against the Group are described below:

Tax cases - The Company defends against government tax assessments considered inappropriate, or the Company considers it has a chance of successfully defending its position.

Labour claims - Most claims involve payment of health risks, additional overtime, and other allowances.

Civil and environmental cases - Indemnification claims involving material damages, environmental and shipping claims, and other contractual disputes.

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Procedure for classification of legal liabilities identifies claims as probable, possible, or remote, as assessed with the assistance of external lawyers:

- Upon receiving notices of new judicial lawsuits, external lawyers generally classify the claim as possible, disclosing the total amount involved. The Company uses the criteria of the estimated value at risk and not the total order value involved in each process.
- Exceptionally, if there is sufficient knowledge from the beginning that there is a very high or very low risk of loss, the lawyer may classify the claim as a probable loss or remote loss.
- During the lawsuit and considering, for instance, its first judicial decision, legal precedents, arguments of the claimant, thesis under discussion, applicable laws, documentation for the defense and other variables, the lawyer may re-classify the claim as a probable loss or remote loss.
- When classifying the claim as a probable and possible loss, the lawyer estimates the amount at risk for such a claim.

Management cannot indicate when the provisions are likely to be utilised as most provisions involve litigations, the resolution of which is highly uncertain as to timing.

17. Equity

Share capital

In February 2021, there was a capital increase totalling R\$3,374.

On 5 March 2021, the partners approved the conversion of the Company's quotas into shares. The 129,441,321 quotas were herein converted into common shares at a ratio of 1 quota for 1 share, thus converted into 129,441,321 shares, transforming the Limited Liability Company into a Publicly Held Corporation changing the name to Wilson Sons Holdings Brasil S.A. The Company's transformation, regardless of dissolution and liquidation, into a privately held corporation was approved, and it is now governed by the provisions of Law 6404/76 and other applicable legal provisions. Throughout 2021, the Company will comply with requirements outlined in Law 6404/76 regarding the allocation of reserves.

On 30 June 2021, the fully paid-in capital is R\$129.6 million (2020: R\$126.2 million):

| | Number of shares | |
|----------------------|------------------|-------------|
| | 30/06/2021 | 31/12/2020 |
| Wilson. Sons Limited | 129,441,321 | 126,197,677 |
| Total | 129,441,321 | 126,197,677 |

The share capital is fully subscribed and paid up.

Legal reserve

The legal reserve is calculated based on amounts in US dollars, the Company's functional currency, and translated into Brazilian Real at the closing rate. The amount equivalent to 5% of annual net profit in US dollars is allocated and classified in a specific account called "legal reserve", limited to 20% of the share capital in US dollars.

Mandatory dividends

According to the Company's Bylaws, after recognizing the legal reserve, the net income will be allocated as proposed by the Company. Of the balance, if any, 25% will be allocated to the payment of the minimum mandatory dividend.

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The Company may also draw up interim balance sheets and declare dividends, as resolved by the Shareholders' Meeting. Interim dividends will be considered as an advanced mandatory dividend.

Translation reserve

Exchange rate differences related to the translation of assets, liabilities, results and equity of subsidiaries that have the same functional currency as the Company (US dollar) and the translation of this financial information to the Company's presentation currency (Brazilian Real) are recognized directly in other comprehensive income and accumulated in a specific account in equity.

Earnings per share

The basic and diluted net earnings (loss) per share is calculated by dividing the Company's net income (loss) attributable to the controlling shareholders by the average amount in the period, as shown below:

| | Three-Month Period | | Six-Month Period | |
|--|--------------------|---------------|------------------|---------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Net income (loss) attributed to controlling shareholders | 118,105 | 34,980 | 143,133 | 11,759 |
| Weighted average number of shares in the period | 128,900,714 | 126,197,677 | 128,900,714 | 126,197,677 |
| Earnings per share - basic and diluted (expressed in reais) | 0.9162 | 0.2772 | 1.1104 | 0.0932 |

In February 2021, 3,243,644 shares were issued. The weighted average calculation of the number of shares during the period is prepared considering the number of total common shares held by shareholders at the beginning of the period, adjusted by the number of common shares issued during the period multiplied by a time weighting factor.

The Company did not have diluted income instruments for the periods ended 30 June 2020 and 2021.

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18. Net operating revenue

The table below shows the analysis of the Company's income from continuing operations for the period (excluding financial income - Note 23):

18.1. Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| | Three-Month Period | | Six-Month Period | |
|--------------------------------------|--------------------|----------------|------------------|----------------|
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Towage and agency services | | | | |
| Harbour Manoeuvres | 232,528 | 204,671 | 451,055 | 364,285 |
| Special Operations | 21,188 | 18,562 | 49,155 | 41,444 |
| Ship Agency | 11,491 | 10,229 | 22,878 | 19,640 |
| Total | 265,207 | 233,462 | 523,088 | 425,369 |
| Container terminals | | | | |
| Container Handling | 99,799 | 85,578 | 196,241 | 173,661 |
| Warehousing | 43,170 | 36,809 | 88,511 | 75,044 |
| Ancillary services | 28,846 | 23,443 | 57,184 | 43,960 |
| Other services | 16,718 | 17,311 | 31,370 | 35,816 |
| Total | 188,533 | 163,141 | 373,306 | 328,481 |
| Offshore support bases | | | | |
| O&G support base | 9,040 | 11,880 | 17,101 | 22,210 |
| Total | 9,040 | 11,880 | 17,101 | 22,210 |
| Logistics | | | | |
| Logistics | 43,355 | 35,953 | 86,094 | 71,814 |
| Total | 43,355 | 35,953 | 86,094 | 71,814 |
| Shipyard | | | | |
| Technical assistance / dry-docking | 3,863 | 2,899 | 17,495 | 5,850 |
| Total | 3,863 | 2,899 | 17,495 | 5,850 |
| Total | 509,998 | 447,335 | 1,017,084 | 853,724 |
| | | | | |
| | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Timing of revenue recognition | | | | |
| At a point in time | 506,135 | 444,436 | 999,589 | 847,874 |
| Over time | 3,863 | 2,899 | 17,495 | 5,850 |
| Total | 509,998 | 447,335 | 1,017,084 | 853,724 |

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18.2. Contract balance

Trade receivables are generally received within 30 days. At the end of the reporting period, the carrying amount of operational trade receivables was R\$248.0 million (2020: R\$201.5 million). These amounts include R\$63.6 million (2020: R\$54.0 million) of contract assets (unbilled accounts receivables). Details are disclosed in Note 4.

There are no other contract assets and liabilities recognised for the period presented.

18.3. Performance obligations

Information about the Group's performance obligation is summarised below:

| Performance obligation | When the performance obligation is typically met |
|---|--|
| Towage and shipping agency services | |
| Harbour Manoeuvres | At a point in time |
| Special Operations | At a point in time |
| Ship Agency | At a point in time |
| Container terminals offshore support bases | |
| Container handling | At a point in time |
| Warehousing | At a point in time |
| Ancillary services | At a point in time |
| Offshore support base | At a point in time |
| Other services | At a point in time |
| Logistics | |
| Logistics | At a point in time |
| Shipyard | |
| Ship construction contracts | Overtime |
| Technical assistance / dry-docking | Overtime |

Most of the Group's performance obligations are satisfied at a point in time upon delivery of the service, and payment is generally due within 30 days upon completion of services.

The performance obligation of ship construction contracts is satisfied over time, and the revenue related to services and construction contracts is recognised when the work in proportion to the stage of completion of transactions contracted has been performed. On 30 June 2021, there are no warranties or refunds obligations applied to ship construction contracts.

There are no significant judgements on both scenarios of performance obligations.

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19. Service costs

| | Consolidated | | | |
|---------------------------------|--------------------|------------------|------------------|------------------|
| | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Salaries and charges | (77,611) | (78,283) | (153,454) | (153,331) |
| Depreciation and amortisation | (63,062) | (60,317) | (128,708) | (114,490) |
| Material and operating costs | (60,090) | (42,672) | (118,053) | (86,470) |
| Property rents | (39,978) | (28,865) | (77,770) | (49,924) |
| Labour and third-party services | (16,291) | (16,595) | (32,253) | (33,717) |
| Amortisation of right-of-use | (13,595) | (10,623) | (25,889) | (19,849) |
| Service maintenance | (6,744) | (4,463) | (13,498) | (9,331) |
| Other costs | (964) | (726) | (1,815) | (1,553) |
| Total | (278,335) | (242,544) | (551,440) | (468,665) |

20. General and administrative expenses

| | Parent Company | | | | Consolidated | | | |
|---|--------------------|----------------|------------------|-----------------|--------------------|-----------------|------------------|------------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Salaries and charges | (4,491) | (501) | (4,773) | (2,208) | (61,685) | (55,540) | (117,489) | (111,103) |
| Management compensation | (2,802) | (2,912) | (6,323) | (6,374) | (4,186) | (4,141) | (8,739) | (8,864) |
| Depreciation and amortisation | (43) | (43) | (86) | (77) | (3,626) | (6,333) | (7,446) | (12,081) |
| Amortisation of right-of-use | (29) | (32) | (58) | (53) | (3,074) | (3,288) | (6,244) | (6,166) |
| Outsourced services | (1,923) | (818) | (2,888) | (2,369) | (7,982) | (4,991) | (12,769) | (10,669) |
| Rent | (1) | (3) | (1) | (3) | (1,218) | (1,151) | (1,284) | (1,888) |
| Maintenance | (6) | (16) | (6) | (17) | (6,063) | (2,857) | (9,303) | (5,854) |
| Travels | (1) | (3) | (11) | (109) | (271) | (299) | (506) | (1,772) |
| Communication | (923) | (1,142) | (1,858) | (2,298) | (1,420) | (1,450) | (2,865) | (2,975) |
| Energy | - | - | - | - | (249) | (732) | (1,772) | (1,794) |
| Office and cleaning supplies | (1) | (1) | (7) | (3) | (167) | (84) | (281) | (251) |
| Other general and administrative expenses | (1,181) | (441) | (1,961) | (1,349) | (5,354) | (3,265) | (8,854) | (8,203) |
| Total | (11,401) | (5,912) | (17,972) | (14,860) | (95,295) | (84,131) | (177,552) | (171,620) |

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21. Other operating expenses

| | Parent Company | | | | Consolidated | | | |
|--|--------------------|--------------|------------------|---------------|--------------------|----------------|------------------|----------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Revenues | | | | | | | | |
| Expense Recovery | 16,223 | 8,231 | 20,061 | 12,074 | 27 | 4,235 | 3,338 | 4,620 |
| Result on sale of property, plant, and equipment | - | - | - | 628 | 20 | 744 | 20 | 1,389 |
| Property rent | - | - | - | - | 1,320 | 1,261 | 2,661 | 2,719 |
| Other revenues | 560 | 563 | 1,134 | 1,012 | 1,361 | 1,136 | 2,605 | 2,183 |
| Total income | 16,783 | 8,794 | 21,195 | 13,714 | 2,728 | 7,376 | 8,624 | 10,911 |
| Expenses | | | | | | | | |
| Result on sale of property, plant, and equipment | - | - | - | - | 335 | - | - | - |
| Taxes payable | (134) | (5) | (158) | (38) | (1,368) | (1,368) | (2,035) | (2,728) |
| Procedural provisions and contingencies | (8) | (10) | (13) | (18) | (715) | (413) | (744) | (932) |
| Other operating expenses | - | - | - | - | (6) | 5 | (15) | (9) |
| Total expenses | (142) | (15) | (171) | (56) | (1,754) | (1,776) | (2,794) | (3,669) |
| Total | 16,641 | 8,779 | 21,024 | 13,658 | 974 | 5,600 | 5,830 | 7,242 |

22. Financial result

| | Parent Company | | | | Consolidated | | | |
|--|--------------------|----------------|------------------|--------------|--------------------|-----------------|------------------|-----------------|
| | Three-Month Period | | Six-Month Period | | Three-Month Period | | Six-Month Period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Income from Financial Investments | 439 | 306 | 720 | 391 | 2,036 | 2,009 | 3,592 | 3,165 |
| Discounts obtained | - | - | - | - | 1,426 | 1,351 | 2,821 | 2,600 |
| Judicial deposits update income | - | (1) | - | 48 | 1,225 | (398) | 1,354 | - |
| Interest income from loans - related parties | 425 | 443 | 874 | 823 | 425 | 443 | 874 | 823 |
| Tax update income | 38 | 42 | 62 | 98 | 207 | 310 | 329 | 1,450 |
| Exchange gain on investments | - | - | - | - | 44 | 3,648 | 149 | 23,368 |
| Other interest income | - | - | - | - | 272 | 375 | 433 | 707 |
| Total finance income | 902 | 790 | 1,656 | 1,360 | 5,635 | 7,738 | 9,552 | 32,113 |
| Interest on bank loans | - | - | - | - | (19,445) | (12,078) | (41,774) | (22,344) |
| Other interest | (330) | (118) | (655) | (152) | 1,033 | 109 | - | - |
| Interests on lease liabilities | (2) | (4) | (4) | (10) | (19,601) | (18,119) | (36,442) | (33,664) |
| Update of judicial deposits | - | - | - | - | - | (703) | - | (703) |
| Other financial expenses | (68) | (46) | 202 | (260) | (888) | (2,387) | (1,558) | (4,821) |
| Total financial expenses | (400) | (168) | (457) | (422) | (38,901) | (33,178) | (79,774) | (61,532) |
| Exchange gain (loss) on translation | 39,435 | (1,685) | 8,582 | 2,842 | 42,635 | (16,570) | 14,143 | (58,176) |
| Total | 39,937 | (1,063) | 9,781 | 3,780 | 9,369 | (42,010) | (56,079) | (87,595) |

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23. Compensation of key management personnel

The compensation of the Group's key management personnel is presented below, aggregated by categories:

| | Parent Company | | | | Consolidated | | | |
|----------------------------|--------------------|----------------|------------------|----------------|--------------------|----------------|------------------|----------------|
| | Three-month period | | Six-month period | | Three-month period | | Six-month period | |
| | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 | 30/06/2021 | 30/06/2020 |
| Short-term salary benefits | (2,871) | (2,965) | (7,317) | (6,818) | (4,295) | (4,183) | (9,806) | (9,285) |
| Post-employment benefits | (21) | (37) | (53) | (75) | (45) | (54) | (95) | (108) |
| Stock Option | (296) | (64) | (335) | (128) | (296) | (64) | (335) | (128) |
| Total | (3,188) | (3,066) | (7,705) | (7,021) | (4,636) | (4,301) | (10,236) | (9,521) |

24. Financial instruments and risk assessment

a) Capital risk management

The Group manages its capital to ensure that its entities will continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Group's capital structure consists of debt (which includes the borrowings disclosed in Note 14, cash and cash equivalents and short-term investments disclosed in Note 3, and equity attributable to owners of the parent company comprising issued capital, reserves and retained earnings as disclosed in Note 17.

b) Categories of financial instruments

| | Parent Company | | | |
|---|----------------|----------------|-----------------|----------------|
| | Fair value | | Carrying amount | |
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Financial assets classified as amortised cost | | | | |
| Cash and cash equivalents | 7 | 4 | 7 | 4 |
| Deposit certificates | - | 9,531 | - | 9,531 |
| Trade receivables from related parties | 106,695 | 54,645 | 106,695 | 54,645 |
| Total financial assets - amortised cost | 106,702 | 64,180 | 106,702 | 64,180 |
| Financial assets classified as FVPL | | | | |
| Fixed income investments | 51,607 | 61,945 | 51,607 | 61,945 |
| Total financial assets - FVPL | 51,607 | 61,945 | 51,607 | 61,945 |
| Total | 158,309 | 126,125 | 158,309 | 126,125 |
| Financial liabilities classified as amortised cost | | | | |
| Trade payables | 122 | 656 | 122 | 656 |
| Lease liabilities | 54 | 99 | 54 | 99 |
| Accounts payable from related parties | 44,432 | 43,774 | 44,432 | 43,774 |
| Total financial liabilities - amortised cost | 44,608 | 44,529 | 44,608 | 44,529 |
| Total | 44,608 | 44,529 | 44,608 | 44,529 |

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| | Consolidated | | | |
|--|--------------|------------|-----------------|------------|
| | Fair value | | Carrying amount | |
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Financial assets classified as amortised cost | | | | |
| Cash and cash equivalents | 74,478 | 27,723 | 74,478 | 27,723 |
| Deposit certificates | 526 | 30,858 | 526 | 30,858 |
| Operational trade receivables | 248,026 | 201,461 | 248,026 | 201,461 |
| Trade receivables from related parties | 105,007 | 53,939 | 105,007 | 53,939 |
| Total financial assets - amortised cost | 428,037 | 313,981 | 428,037 | 313,981 |
| Financial assets classified as FVPL | | | | |
| Fixed income investments | 126,994 | 244,542 | 126,994 | 244,542 |
| Total financial assets - FVPL | 126,994 | 244,542 | 126,994 | 244,542 |
| Total | 555,032 | 558,523 | 555,032 | 558,523 |
| Financial liabilities classified as amortised cost | | | | |
| Bank loans | 1,569,609 | 1,790,582 | 1,570,196 | 1,780,707 |
| Trade payables | 97,128 | 85,809 | 97,128 | 85,809 |
| Lease liabilities | 1,024,826 | 820,527 | 1,024,826 | 820,527 |
| Accounts payable from related parties | 1,688 | 1,486 | 1,688 | 1,486 |
| Total financial liabilities - amortised cost | 2,693,251 | 2,698,404 | 2,693,838 | 2,688,529 |
| Total | 2,693,251 | 2,698,404 | 2,693,838 | 2,688,529 |

c) Financial risk management objectives

The Group monitors and manages financial risks related to the operations. A financial risk committee meets regularly to assess financial risks and decide mitigation based on the Group's financial risk policy guidelines.

These risks include market risk, credit risk and liquidity risk. The primary objective is to minimise exposure to those risks by using financial instruments and assessing and controlling the credit and liquidity risks. The Group may use derivatives and other financial instruments for hedging purposes only.

d) Foreign currency risk management

The operating cash flows are exposed to currency fluctuations because they are denominated partially in Brazilian Real. These proportions vary according to the characteristics of each business.

Cash flows from investments in fixed assets are denominated partly in Brazilian Real. These investments are subject to currency fluctuations when those goods or services are acquired and the actual payment date. The resources and their application are monitored to match the currency cash flows and payment dates.

The Group seeks to neutralise the currency risk of operating cash flows by matching revenues and expenses in general terms. Furthermore, the Group seeks to generate an operating cash surplus in the same currency in which the debt service of each business is denominated.

The Group has part of its debt and part of its cash and cash equivalents denominated in Brazilian Real.

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The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

| Transactions in Brazilian Real | Assets | | Liabilities | |
|--------------------------------|------------|------------|-------------|------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Parent Company | 384,586 | 417,908 | 57,824 | 94,278 |
| Consolidated | 649,575 | 811,218 | 1,932,824 | 1,977,375 |

Foreign currency sensitivity analysis

The sensitivity analysis presented in the following sections estimates the impacts of the Brazilian Real devaluation against the US Dollar based on the position on 30 June 2021. Three exchange rate scenarios are contemplated: the likely scenario (Probable) and two scenarios of deterioration of 25% (Possible) and 50% (Remote) in the exchange rate. The Group uses the Brazilian Central Bank's "Focus" report to determine the probable scenario.

| 30/06/2021 | | | | | | |
|-------------------------------|------|-------------------------|------------------|-----------------------|-------------------------|-----------------------|
| Exchange rates ⁽¹⁾ | | | | | | |
| Probable scenario | | Possible scenario (25%) | | Remote scenario (50%) | | |
| R\$5.0400 / US\$1.00 | | R\$6.3000 / US\$1.00 | | R\$7.5600 / US\$1.00 | | |
| Parent Company | | | | | | |
| Operation | Risk | Amount in US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 384,586 | Exchange effects | (2,884) | (79,225) | (130,118) |
| Total liabilities | R\$ | 57,824 | Exchange effects | 434 | 11,912 | 19,564 |
| | | | | (2,450) | (67,313) | (110,554) |
| Consolidated | | | | | | |
| Operation | Risk | Amount in US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 649,575 | Exchange effects | (4,872) | (133,813) | (219,773) |
| Total liabilities | R\$ | 1,932,824 | Exchange effects | 14,496 | 398,162 | 653,939 |
| | | | | 9,624 | 264,349 | 434,166 |

⁽¹⁾ Information source: BACEN Focus Report of 2 July 2021.

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| 31/12/2020 | | | | | | |
|-------------------------------|------|-------------------------|------------------|-----------------------|-------------------------|-----------------------|
| Exchange rates ⁽¹⁾ | | | | | | |
| Probable scenario | | Possible scenario (25%) | | Remote scenario (50%) | | |
| R\$5.2000 / US\$1.00 | | R\$6.5000 / US\$1.00 | | R\$7.8000 / US\$1.00 | | |
| Parent Company | | | | | | |
| Operation | Risk | Amount in US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 417,908 | Exchange effects | (265) | (83,794) | (139,479) |
| Total liabilities | R\$ | 94,278 | Exchange effects | 60 | 18,904 | 31,466 |
| | | | | (205) | (64,890) | (108,013) |
| Consolidated | | | | | | |
| Operation | Risk | Amount in US\$ | Result | Probable scenario | Possible scenario (25%) | Remote scenario (50%) |
| Total assets | R\$ | 811,218 | Exchange effects | (515) | (162,655) | (270,749) |
| Total liabilities | R\$ | 1,977,375 | Exchange effects | 1,255 | 396,479 | 659,962 |
| | | | | 740 | 233,824 | 389,213 |

⁽¹⁾ Information source: Focus BACEN, a report from 8 January 2021.

Derivative financial instruments

The Group may enter derivative contracts to manage risks arising from exchange rate fluctuations. All such transactions are carried out within the guidelines set by the Financial Risk Committee.

The Group may use exchange rate hedges to limit its exposure that may result from the variation of the U.S. Dollar against the Brazilian Real or other exchange rates, and there are no current outstanding contracts.

e) Interest rate risk management

The Company holds most of its debts linked to fixed rates, most of which are with the FMM (Merchant Marine Fund).

Other loans exposed to floating rates are as follows:

- TJLP (Brazilian Long Term Interest Rate) for Brazilian Real-denominated funding through Finame credit line to port operations and Logistics operations;
- DI (Brazilian Interbank Interest Rate) for Brazilian Real-denominated funding in logistics operations;
- IPCA (Brazilian National Consumer Prices) for Brazilian Real-denominated funding in port operations and offshore support bases.

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The Company's Brazilian 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 short-term time deposits.

Interest rate sensitivity analysis

The Company does not currently fair value account for financial assets or liabilities through profit or loss. Therefore, a change in interest rates at the reporting date would not change the profit or loss result. The Company uses the Brazilian Central Bank's "Focus" BM&F (Bolsa de Mercadorias e Futuros), Bloomberg and Brazilian Economic and Social Development Bank (BNDES) data to estimate the probable scenarios.

The following analysis concerns a possible fluctuation of revenue or expenses linked to the transactions and scenarios shown without considering their fair value.

| 30/06/2021 | | | | | | |
|---|--|--|--|-------------------|-------------------------|-----------------------|
| CDI ⁽¹⁾ , TJLP ⁽²⁾ , IPCA ⁽³⁾ and DI - BM&F ⁽⁴⁾ | | | | | | |
| Operation | | | | Scenario probable | Scenario possible (25%) | Scenario remote (50%) |
| Loans – CDI | | | | 6.77% | 8.46% | 10.16% |
| Loans – TJLP | | | | 4.88% | 6.10% | 7.32% |
| Loans – IPCA | | | | 8.06% | 10.08% | 12.09% |
| Investments – CDI | | | | 6.77% | 8.46% | 10.16% |

| Parent Company | | | | | | |
|----------------|------|-----------------|--------|-------------------|-------------------------|-----------------------|
| Operation | Risk | Amount in Reais | Result | Scenario probable | Scenario possible (25%) | Remote scenario (50%) |
| Investments | CDI | 51,607 | Result | 4,371 | 6,015 | 7,659 |

| Consolidated | | | | | | |
|---------------|------|-----------------|----------|-------------------|-------------------------|-----------------------|
| Operation | Risk | Amount in Reais | Result | Scenario probable | Scenario possible (25%) | Remote scenario (50%) |
| Loans - CDI | CDI | 176,220 | Interest | (3,778) | (6,174) | (8,535) |
| Loans – TJLP | TJLP | 3,898 | Interest | - | (31) | (61) |
| Loans – IPCA | IPCA | 285,538 | Interest | - | (4,724) | (9,366) |
| Loans – Fixed | None | 1,104,540 | - | - | - | - |
| Total loans | | 1,570,196 | | (3,778) | (10,929) | (17,962) |
| Investments | CDI | 127,520 | Result | 11,847 | 16,303 | 20,759 |
| Net income | | | | 8,069 | 5,374 | 2,797 |

(1) Information source: B3 (Brasília Bolsa Balcão), report of 7 July 2021.

(2) Information source: BNDES (Banco Nacional de Desenvolvimento Econômico e Social), report from 07 July 2021.

(3) Information source: IPCA (Índice de Preços ao Consumidor Amplo), report from 07 July 2021.

(4) Information source: BM&F (Bolsa de Mercadorias e Futuros), report from 6 July 2021.

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|---|------|-----------------|------------|-------------------|-------------------------|-----------------------|
| CDI ⁽¹⁾ , TJLP ⁽²⁾ , IPCA ⁽³⁾ and DI - BM&F ⁽⁴⁾ | | | | | | |
| Operation | | | | Scenario probable | Scenario possible (25%) | Scenario remote (50%) |
| Loans – CDI | | | | 2.95% | 3.69% | 4.43% |
| Loans – TJLP | | | | 4.39% | 5.49% | 6.59% |
| Loans – IPCA | | | | 4.31% | 5.39% | 6.47% |
| Investments – CDI | | | | 2.95% | 3.69% | 4.43% |
| Parent Company | | | | | | |
| Operation | Risk | Amount in Reais | Result | Scenario probable | Scenario possible (25%) | Scenario remote (50%) |
| Investments | CDI | 71,476 | Result | 330 | 937 | 1,545 |
| Consolidated | | | | | | |
| Operation | Risk | Amount in Reais | Result | Scenario Probable | Scenario possible (25%) | Remote scenario (50%) |
| Loans - CDI | CDI | 334,868 | Interest | (2,284) | (3,875) | (5,457) |
| Loans – TJLP | TJLP | 4,369 | Interest | - | (31) | (62) |
| Loans – IPCA | IPCA | 286,552 | Interest | - | (2,155) | (4,288) |
| Loans – Fixed | None | 1,154,918 | None | - | - | - |
| Total loans | | 1,780,707 | | (2,284) | (6,061) | (9,807) |
| Investments | CDI | 275,400 | Result | 1,130 | 3,215 | 5,299 |
| | | | Net income | (1,154) | (2,846) | (4,508) |

(1) Information source: B3 (Brasil Bolsa Balcão), report from 8 January 2021.

(2) Information source: BNDES (Banco Nacional de Desenvolvimento Econômico e Social), report from 8 January 2021.

(3) Information source: IPCA (Índice de Preços ao Consumidor Amplo), report from 8 January 2021.

(4) Information source: BM&F (Bolsa de Mercadorias e Futuros), report from 8 January 2021.

The net effect was obtained by assuming a 12-month period starting 30 March 2021 in which interest rates vary, and all other variables are held constant. The scenarios express the difference between the weighted scenario rate and the actual rate.

Derivative financial instruments

The Company may enter derivative contracts to manage risks arising from interest rate fluctuations. All such transactions must be carried out within the guidelines set by the Financial Risk Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

f) Liquidity risk management

The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, continuously monitoring the forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Company will encounter difficulty fulfilling obligations associated with its financial liabilities that are settled with cash payments or other financial assets. The Company's approach in managing liquidity is to ensure that the Group always has sufficient liquidity to fulfil the obligations that expire, under normal and stress conditions, without causing unacceptable losses or risk damage to the reputation of the Group.

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The Company ensures sufficient cash reserves to meet the expected operational expenses, including financial obligations. This practice excludes the potential impact of extreme circumstances that cannot be reasonably foreseen, such as natural disasters.

For these cases, the Company's practice is to create a multidisciplinary crisis committee to address the most appropriate actions. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

| | Average weighted interest rates | Less than 12 months | 1-5 years | Less than 5 years | Total |
|---|---------------------------------------|------------------------|-----------|----------------------|-----------|
| 30 June 2021 | % | | | | |
| Variable interest rate instruments | 3.08% | 106,722 | 284,655 | 200,423 | 591,800 |
| Fixed interest rate instruments | 2.75% | 172,786 | 531,839 | 559,270 | 1,263,895 |
| Lease liability (under CPC 06 R2 – IFRS 16) | 8.77% | 124,757 | 437,831 | 1,866,318 | 2,428,906 |
| | | 404,265 | 1,254,325 | 2,626,011 | 4,284,601 |
| 31 December 2020 | % | | | | |
| Variable interest rate instruments | 2.78% | 186,681 | 317,456 | 223,313 | 727,450 |
| Fixed interest rate instruments | 2.75% | 161,804 | 520,122 | 685,226 | 1,367,152 |
| Lease liability (under CPC 06 R2 – IFRS 16) | 8.77% | 99,533 | 346,710 | 1,521,418 | 1,967,661 |
| | | 448,018 | 1,184,288 | 2,429,957 | 4,062,263 |

g) Credit risk

The Group's credit risk can be attributed mainly to balances such as cash and cash equivalents, short-term investments, debt securities, loans, trade receivables and other trade receivables. The disclosure in the balance sheet is shown net of the allowance for bad debts.

According to regulations approved by Management, the Group invests temporary cash surpluses in government and private bonds, 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 and investment rules according to rating classification. The Company 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 a maximum of 100%).

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The Group's sales policy follows the criteria for credit sales set by management, which seeks to mitigate any loss due to customer default.

| | Note | Parent Company | | Consolidated | |
|--|------|----------------|------------|--------------|------------|
| | | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 |
| Cash and cash equivalents | 3 | 51,614 | 71,480 | 201,999 | 303,123 |
| Operational trade receivables | 4 | - | - | 248,026 | 201,461 |
| Trade receivables from related parties | 25 | 106,695 | 54,645 | 105,007 | 53,939 |
| Exposed to credit risk | | 158,309 | 126,125 | 555,032 | 558,523 |

Operational trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company evaluates the concentration of risk concerning trade receivables and contract assets as low, as historically trade receivables are generally received in 30 days.

| 30 June 2021 | To be due | 01 to 30 days | 31 to 90 days | 91 to 180 days | Higher than 180 days | Total |
|-----------------------------------|-----------|---------------|---------------|----------------|----------------------|---------|
| Expected credit loss rate | 0.10% | 0.10% | 3.29% | 8.27% | 51.08% | |
| Receivables for services rendered | 217,617 | 20,862 | 5,166 | 3,932 | 2,399 | 249,976 |
| Accumulated credit loss | (216) | (13) | (172) | (323) | (1,226) | (1,950) |

| 31 December 2020 | To be due | 01 to 30 days | 31 to 90 Days | 91 to 180 days | Higher than 180 days | Total |
|-----------------------------------|-----------|---------------|---------------|----------------|----------------------|---------|
| Expected credit loss rate | 0.09% | 0.09% | 3.30% | 12.77% | 62.48% | |
| Receivables for services rendered | 170,092 | 24,942 | 4,426 | 1,026 | 3,854 | 204,340 |
| Accumulated credit loss | (171) | (23) | (146) | (131) | (2,408) | (2,879) |

h) Fair value of financial instruments

The Group's financial instruments are managed through operating strategies to obtain liquidity, profitability, and security. The control policy consists of ongoing monitoring of rates agreed versus those in force in the market and whether its short-term financial investments are being properly marked to market by the institutions dealing with its funds.

Determining estimated realisable values of the Group's financial assets and liabilities relies on information available in the market and relevant assessment methodologies. Nevertheless, considerable judgment is required when interpreting market data to derive the most adequate estimated realisable value.

All the Group's financial instruments (as disclosed in note 24 b) are considered as level 2 under the CPC 40 (IFRS 7) hierarchy as fair values are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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i) Criteria, assumptions, and limitations used when computing fair values

Cash and cash equivalents

The market values of the bank's current account balances are consistent with book balances.

Investments

The fair values of the short-term investments are consistent with book balances.

Trade and other trade receivables/payables

According to management estimates, the fair values of the trade receivables and trade payables are consistent with book balances.

Bank loans

The fair value of loan arrangements was calculated at their present value determined by future cash flows and at interest rates applicable to instruments of similar nature, terms, and risks or market quotations of these securities. Fair value measurements recognised in the consolidated financial statements are grouped into levels based on the degree to which the fair value is observable.

The fair values of BNDES, BB, Bradesco, CCB, Itaú and Santander financing arrangements are considered their carrying amounts as the Group has not identified comparable instruments to date.

25. Related-party transactions

The balances and transactions, as well as the details regarding the transactions between the Company and its subsidiaries and other related parties, are presented below:

| | Receivables for services rendered | | Trade Payables | | Revenues (Expenses) | |
|---|-----------------------------------|---------------|----------------|---------------|---------------------|---------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 | 30/06/2021 | 30/06/2020 |
| Parent Company | | | | | | |
| 1. Wilson Sons Ultratug Participações Ltda. | 103,918 | 53,486 | - | - | 874 | 823 |
| 2. Wilson Sons Estaleiro Ltda. | 1,227 | - | - | - | 1,226 | - |
| 3. Tecon Rio Grande S.A. | 1,086 | 800 | - | - | 11,261 | 7,762 |
| 4. Tecon Salvador S.A. | - | - | - | - | 2,403 | 2,008 |
| 5. Wilson. Sons Shipping Services Ltda. | - | - | 44,428 | 43,774 | (35) | - |
| 6. Wilson Sons Limited | 12 | 18 | - | - | 1,134 | 1,013 |
| 7. Wilson Sons Terminais & Logística Ltda. | - | - | - | - | 1,732 | (117) |
| 8. Wilson Sons Serviços Marítimos Ltda. | 387 | - | 4 | - | - | - |
| 9. Porto Campinas Ltda. | 65 | - | - | - | - | - |
| 10. Others | - | 341 | - | - | - | - |
| Total | 106,695 | 54,645 | 44,432 | 43,774 | 18,595 | 11,489 |

1 - Loan with Wilson, Sons Ultratug (interest rate - 0.3% p.m. without maturity) and AFAC of Wilson Sons Holdings Brasil S.A. at Wilson, Sons Ultratug.

The Board of the Wilson Sons Ultratug's joint venture has already resolved on the advance for a future capital increase, totalling R\$51.6 million to be capitalized in August 2021;

2, 3, 4, 7, 8 and 10 - Current account receivable referring to expenses paid by the Company or by the subsidiary/corporate apportionment;

5 - Loan payable (interest of 3% per year, with a term of 60 months, renewable for an equal period);

6 - Transfer of corporate expenses; and

9 - AFAC receivable.

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| | Receivables for services rendered | | Trade Payables | | Revenues (Expenses) | |
|--|--------------------------------------|---------------|----------------|--------------|---------------------|--------------|
| | 30/06/2021 | 31/12/2020 | 30/06/2021 | 31/12/2020 | 30/06/2021 | 30/06/2020 |
| Consolidated | | | | | | |
| 1. Wilson Sons Ultratug Participações Ltda. | 104,930 | 53,921 | 12 | - | 1,409 | 1,249 |
| 2. Consórcio de Rebocadores Baía de São Marcos | 12 | - | 1,676 | 1,486 | - | 610 |
| 3. Wilson Sons Limited | - | 18 | - | - | 1,134 | 1,012 |
| 4. Porto Campinas Ltda. | 65 | - | - | - | - | - |
| Other: | | | | | | |
| 5. Gouvêa Vieira Advogados | - | - | - | - | (69) | (75) |
| Total | 105,007 | 53,939 | 1,688 | 1,486 | 2,474 | 2,796 |

1. Loan with Wilson, Sons Ultratug (interest rate - 0.3% p.m. without maturity) and AFAC of Wilson Sons Holdings Brasil S.A. at Wilson, Sons Ultratug. The Board of the Wilson Sons Ultratug's joint venture has already resolved on the advance for a future capital increase, totalling R\$51.6 million to be capitalized in August 2021;

2. The transactions with the joint operations are disclosed because of proportionate amounts not eliminated on consolidation; Transfer of corporate expenses;

3. Transfer of corporate expenses;

4. AFAC receivable

5. Mr. Mr. J.F. Gouvêa Vieira is a partner with the law firm Gouvêa Vieira. Fees were paid to Gouvêa Vieira Advogados for legal services; and

Allink Transportes Internacionais Ltda is 50% owned by the Group and rents terminal warehousing from the Group. Allink Transportes Internacionais Ltda controls 100% of Allink Serviços e Gerenciamento de Cargas Ltda. Mr. Augusto Cezar Baião is a minority shareholder of Allink Transportes Internacionais Ltda. The Company also presented outstanding amounts payable with Allink on 30 June 2021 of R\$95, and at 31 December 2020, there was no outstanding amount. The Company had a negative net effect on the result of transactions with Allink on 30 June 2021 totalling (R\$677) (30 June 2020: (R\$535)).

26. Non-cash transactions

During the current period, the Company entered the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

| | 30/06/2021 | 30/06/2020 |
|----------------------------------|------------|------------|
| Additions to fixed assets | | |
| Capitalised interest | - | 8,166 |

27. Stock options plan and post-employment benefits

27.1. Stock option plan

The shareholders in a special general meeting of Wilson Sons Limited approved granting options to eligible participants to be selected by the board of Wilson Sons Limited on 8 January 2014, including an increase in the authorised capital of Wilson Sons Limited through the creation of up to 4,410,927 new shares. The options provide participants with the right to acquire shares via Brazilian Depositary Receipts ("BDR") in Wilson Sons Limited at a predetermined fixed price not less than the three-day average mid-price for the days preceding the date of option issuance. The options plan is detailed below:

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| Options series | Grant date | Original vesting date | Expiry date | Exercise price (R\$) | Number | Expired | Exercised | Vested | Outstanding not vested | Total subsisting |
|------------------|------------|-----------------------|-------------|----------------------|-----------|-----------|-------------|---------|------------------------|------------------|
| 07 ESO - 3 Years | 10/01/2014 | 10/01/2017 | 10/01/2024 | 31.23 | 961,653 | (178,695) | (517,521) | 265,437 | - | 265,437 |
| 07 ESO - 4 Years | 10/01/2014 | 10/01/2018 | 10/01/2024 | 31.23 | 961,653 | (178,695) | (517,521) | 265,437 | - | 265,437 |
| 07 ESO - 5 Years | 10/01/2014 | 10/01/2019 | 10/01/2024 | 31.23 | 990,794 | (184,110) | (514,658) | 292,026 | - | 292,026 |
| 07 ESO - 3 Years | 13/11/2014 | 13/11/2017 | 13/11/2024 | 33.98 | 45,870 | (17,490) | (28,380) | - | - | - |
| 07 ESO - 4 Years | 13/11/2014 | 13/11/2018 | 13/11/2024 | 33.98 | 45,870 | (17,490) | (28,380) | - | - | - |
| 07 ESO - 5 Years | 13/11/2014 | 13/11/2019 | 13/11/2024 | 33.98 | 47,260 | (18,020) | (29,240) | - | - | - |
| 07 ESO - 3 Years | 11/08/2016 | 11/08/2019 | 11/08/2026 | 34.03 | 82,500 | - | (34,380) | 48,120 | - | 48,120 |
| 07 ESO - 4 Years | 11/08/2016 | 11/08/2020 | 11/08/2026 | 34.03 | 82,500 | - | (34,380) | 48,120 | - | 48,120 |
| 07 ESO - 5 Years | 11/08/2016 | 11/08/2021 | 11/08/2026 | 34.03 | 85,000 | - | - | - | 85,000 | 85,000 |
| 07 ESO - 3 Years | 15/05/2017 | 15/05/2020 | 15/05/2027 | 38.00 | 20,130 | (4,620) | - | 15,510 | - | 15,510 |
| 07 ESO - 4 Years | 15/05/2017 | 15/05/2021 | 15/05/2027 | 38.00 | 20,130 | (4,620) | - | 15,510 | - | 15,510 |
| 07 ESO - 5 Years | 15/05/2017 | 15/05/2022 | 15/05/2027 | 38.00 | 20,740 | (4,760) | - | - | 15,980 | 15,980 |
| 07 ESO - 3 Years | 09/11/2017 | 09/11/2020 | 09/11/2027 | 40.33 | 23,760 | (11,880) | (11,500) | 380 | - | 380 |
| 07 ESO - 4 Years | 09/11/2017 | 09/11/2021 | 09/11/2027 | 40.33 | 23,760 | (11,880) | - | - | 11,880 | 11,880 |
| 07 ESO - 5 Years | 09/11/2017 | 09/11/2022 | 09/11/2027 | 40.33 | 24,480 | (12,240) | - | - | 12,240 | 12,240 |
| 07 ESO - 3 Year | 10/05/2021 | 10/05/2024 | 10/05/2031 | 51.95 | 148,500 | - | - | - | 148,500 | 148,500 |
| 07 ESO - 4 Year | 10/05/2021 | 10/05/2025 | 10/05/2031 | 51.95 | 148,500 | - | - | - | 148,500 | 148,500 |
| 07 ESO - 5 Year | 10/05/2021 | 10/05/2026 | 10/05/2031 | 51.95 | 153,000 | - | - | - | 153,000 | 153,000 |
| Total | | | | | 3,886,100 | (644,500) | (1,715,960) | 950,540 | 575,100 | 1,525,640 |

The options terminate on their expiry date or immediately on the resignation of the director or senior employee, whichever is earlier. Options lapse if not exercised within six months of the date that the participant ceases to be employed or hold office because of, amongst others, injury, disability, retirement, or dismissal without cause.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

| | Number | WAEP (R\$) |
|---------------------------|------------------|------------|
| On 1 January 2020 | 2,702,540 | 31.85 |
| Exercised during the year | (475,050) | 31.23 |
| Expired during the year | (14,000) | 33.98 |
| On 31 December 2020 | <u>2,213,490</u> | 31.96 |
| Options | 450,000 | 51.95 |
| Exercised during the year | (1,123,850) | 31.65 |
| Expired during the year | (14,000) | 38.00 |
| On 30 June 2021 | <u>1,525,640</u> | 38.03 |

(¹) At the date of exercise, the weighted average share price of these options was R\$31.65 (2020: R\$45.76).

The fair value expense of the grant to be recorded as a liability in the respective accounting periods was determined using a binomial model based on the assumptions detailed below:

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| Period commencing | Projected IFRS2 fair value expense R\$ | | | | | |
|-------------------------------|--|---------------------|-------------------|----------------|--------------------|----------------|
| 2014 | 7,453 | | | | | |
| 2015 | 7,893 | | | | | |
| 2016 | 8,115 | | | | | |
| 2017 | 5,776 | | | | | |
| 2018 | 2,922 | | | | | |
| 2019 | 881 | | | | | |
| 2020 | 1,403 | | | | | |
| 2021 | 1,345 | | | | | |
| 2022 | 1,684 | | | | | |
| 2023 | 1,599 | | | | | |
| 2024 | 1,177 | | | | | |
| 2025 | 605 | | | | | |
| 2026 | 151 | | | | | |
| Total | 41,004 | | | | | |
| | 10 January 2014 | 13 November 2014 | 11 August 2016 | 16 May 2017 | 9 November 2017 | 10 May 2021 |
| Closing share price (in Real) | R\$30.05 | R\$33.50 | R\$32.15 | R\$38.00 | R\$38.01 | R\$50.85 |
| Expected volatility | 28.00% | 29.75% | 31.56% | 31.82% | 31.82% | 38.18%-40.30% |
| Expected life | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years |
| Risk free rate | 10.80% | 12.74% | 12.03% | 10.17% | 10.17% | 7.68%-8.44% |
| Expected dividend yield | 1.70% | 4.80% | 4.80% | 4.80% | 4.80% | 5.66% |

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

27.2. Post-employment benefits

The Group operates a private medical insurance scheme for its employees, requiring eligible employees to pay fixed monthly contributions. Under the regulation of the Brazilian law, eligible employees with greater than ten years' service acquire the right to remain in the plan following retirement or termination of employment, generating a post-employment commitment for the Group. Ex-employees remaining in the plan will be liable for paying the full cost of their continued scheme membership. The present value of actuarial obligations on 30 June 2021 is R\$8.7 million (2020: R\$8.5 million). The future actuarial liability for the Group relates to the potential increase in plan costs resulting from additional claims because of the expanded membership of the scheme.

Actuarial assumptions

The calculation of the liability generated by the post-employment commitment involves actuarial assumptions. The following are the principal actuarial assumptions at the reporting date:

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Economic and financial assumptions

| | 30/06/2021 | 31/12/2020 |
|---|---|---|
| Annual interest rate | 7.90% | 7.90% |
| Estimated inflation rate in the long-term | 3.50% | 3.50% |
| Aging factor | Based on the experience of Wilson Sons ⁽¹⁾ | Based on the experience of Wilson Sons ⁽¹⁾ |
| Health care cost trend rate | 6.09% p.a. | 6.09% p.a. |
| ⁽¹⁾ The amount of current contributions of both retirees and medical costs used in the actuarial valuation, in monthly amounts per health care provider, may vary between R\$117.06 and R\$12,036.51 (absolute value). | | |

Biometric and demographic assumptions

| | 30/06/2021 | 31/12/2020 |
|--|----------------------------------|----------------------------------|
| Employee turnover | 21.27% | 21.27% |
| Mortality table | AT-2000 | AT-2000 |
| Disability table | Álvaro Vindas | Álvaro Vindas |
| Retirement age | 100% at 62 | 100% at 62 |
| Employees who opt to keep the health plan after retirement and termination | 23% | 23% |
| Family composition before retirement: | | |
| Probability of marriage | 80% of the participants | 80% of the participants |
| Age difference for active participants | Man 3 years older than the woman | Man 3 years older than the woman |
| Family composition before retirement | Composition of the family group | Composition of the family group |

Sensitivity analysis

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

| | 30/06/2021 | 31/12/2020 |
|---|------------|------------|
| CiPBO(*) - discount rate + 0.5% | (1,167) | (1,167) |
| CiPBO(*) - discount rate - 0.5% | 1,353 | 1,353 |
| CiPBO(*) - Health Care Cost Trend Rate + 0.5% | 1,371 | 1,371 |
| CiPBO(*) - Health Care Cost Trend Rate - 0.5% | (1,191) | (1,191) |
| CiPBO(*) - Aging factor + 0.5% | 786 | 786 |
| CiPBO(*) - Aging factor - 0.5% | (786) | (786) |

(*) CiPBO means Change in Projected Benefit Obligation.

28. Information by Segment

Reportable segments

For management purposes, the Group is currently organised into five reportable segments: towage and agency services, port terminals, offshore vessels, logistics and shipyards. These divisions are reported for resource allocation and assessment of segment performance.

Finance costs relating to liabilities were allocated to reporting segments based on the loans taken to finance the acquisition or the construction of fixed assets in that segment. Finance income arising from bank balances held by Brazilian operating segments, including foreign exchange differences on such balances, were also allocated to the reporting segments.

Administrative and financial expenses are presented as non-segmented activities.

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Segment information relating to these businesses is presented below:

| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2021 (Three-Month Period) | | | | | | | | | |
| Revenues | 265,207 | 188,533 | 9,040 | - | 43,355 | 24,203 | - | (20,340) | 509,998 |
| Results from operating activities | 85,621 | 78,159 | (4,241) | - | 5,446 | (2,002) | (30,189) | 2,262 | 135,056 |
| Financial result (adjusted) | (7,092) | (24,698) | (1,808) | - | (1,709) | (936) | 2,867 | 110 | (33,266) |
| Operating profit (loss) adjusted by finance income and cost | 78,529 | 53,461 | (6,049) | - | 3,737 | (2,938) | (27,322) | 2,372 | 101,790 |
| Share of result of joint ventures | - | - | - | 2,218 | (35) | - | - | - | 2,183 |
| Exchange gain (loss) on translation | - | - | - | - | - | - | - | - | 42,635 |
| Income before tax | - | - | - | - | - | - | - | - | 146,608 |
| Other information: | | | | | | | | | |
| Expenditure for acquisition of property, plant, and equipment | (41,788) | (8,871) | (2,380) | - | (170) | (979) | (188) | - | (54,376) |
| Amortisation of right-of-use | (3,488) | (8,414) | (555) | - | (3,227) | (61) | (924) | - | (16,669) |
| Depreciation and amortisation | (37,759) | (21,532) | (2,770) | - | (863) | (5,345) | (1,632) | 3,213 | (66,688) |
| | | | | | | | | | |
| | 2020 | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2020 (Three-Month Period) | | | | | | | | | |
| Revenues | 233,462 | 163,141 | 11,880 | - | 35,953 | 6,773 | - | (3,874) | 447,335 |
| Results from operating activities | 78,416 | 58,524 | (3,469) | - | 3,316 | (6,212) | (17,691) | 7,460 | 120,344 |
| Financial result (adjusted) | (4,598) | (19,073) | (965) | - | (2,613) | (1,130) | 2,869 | 70 | (25,440) |
| Operating profit (loss) adjusted by finance income and cost | 73,818 | 39,451 | (4,434) | - | 703 | (7,342) | (14,822) | 7,530 | 94,904 |
| Share of result of joint ventures | - | - | - | (8,801) | (20) | - | - | - | (8,821) |
| Exchange gain (loss) on translation | - | - | - | - | - | - | - | - | (16,570) |
| Income before tax | - | - | - | - | - | - | - | - | 69,513 |
| Other information: | | | | | | | | | |
| Expenditure for acquisition of property, plant, and equipment | (12,586) | (132,000) | (351) | - | (95) | (297) | (894) | - | (146,223) |
| Amortisation of right-of-use | (1,939) | (7,042) | (635) | - | (3,130) | (66) | (1,099) | - | (13,911) |
| Depreciation and amortisation | (42,393) | (16,673) | (2,812) | - | (1,046) | (5,057) | (1,631) | 2,962 | (66,650) |

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information

30 June 2021

(All amounts in thousands of reais, unless otherwise stated)

| | 2021 | | | | | | | | |
|---|-------------------------------------|---------------------|------------------------|--------------------------|-----------|----------|--------------------------|-------------|--------------|
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2021 (Six-Month Period) | | | | | | | | | |
| Revenues | 523,088 | 373,306 | 17,101 | - | 86,094 | 53,071 | - | (35,576) | 1,017,084 |
| Results from operating activities | 173,729 | 162,506 | (8,747) | - | 11,593 | (5,283) | (49,247) | 5,300 | 289,851 |
| Financial result (adjusted) | (13,167) | (49,643) | (3,771) | - | (4,053) | (1,930) | 2,151 | 191 | (70,222) |
| Operating profit (loss) adjusted by finance income and cost | 160,562 | 112,863 | (12,518) | - | 7,540 | (7,213) | (47,096) | 5,491 | 219,629 |
| Share of result of joint ventures | - | - | - | (7,990) | (67) | - | - | - | (8,057) |
| Exchange gain (loss) on translation | - | - | - | - | - | - | - | - | 14,143 |
| Income before tax | - | - | - | - | - | - | - | - | 225,715 |
| Other information: | | | | | | | | | |
| Expenditure for the acquisition of property, plant, and equipment | (61,559) | (23,924) | (3,645) | - | (240) | (1,322) | (298) | - | (90,988) |
| Amortisation of right-of-use | (7,141) | (15,408) | (1,122) | - | (6,460) | (124) | (1,878) | - | (32,133) |
| Depreciation and amortisation | (77,869) | (43,017) | (5,610) | - | (1,733) | (10,665) | (3,335) | 6,075 | (136,154) |
| | | | | | | | | | |
| | 2020 | | | | | | | | |
| | Towage and shipping agency services | Container terminals | Offshore support bases | Offshore support vessels | Logistics | Shipyard | Non segmented activities | Elimination | Consolidated |
| | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| 30 June 2020 (Six-Month Period) | | | | | | | | | |
| Revenues | 425,369 | 328,481 | 22,210 | - | 71,814 | 13,146 | - | (7,296) | 853,724 |
| Results from operating activities | 128,323 | 124,178 | (8,304) | - | 3,536 | (12,393) | (36,322) | 11,388 | 210,406 |
| Financial result (adjusted) | (10,066) | (33,142) | (2,688) | - | (4,358) | (1,902) | 22,616 | 121 | (29,419) |
| Operating profit (loss) adjusted by finance income and cost | 118,257 | 91,036 | (10,992) | - | (822) | (14,295) | (13,706) | 11,509 | 180,987 |
| Share of result of joint ventures | - | - | - | (29,528) | (49) | - | - | - | (29,577) |
| Exchange gain (loss) on translation | - | - | - | - | - | - | - | - | (58,176) |
| Income before tax | - | - | - | - | - | - | - | - | 93,234 |
| Other information: | | | | | | | | | |
| Expenditure for acquisition of property, plant, and equipment | (23,121) | (189,668) | (637) | - | (236) | (462) | (3,794) | - | (217,918) |
| Amortisation of right-of-use | (2,537) | (13,922) | (1,262) | - | (6,296) | (120) | (1,878) | - | (26,015) |
| Depreciation and amortisation | (77,572) | (33,452) | (5,562) | - | (2,080) | (9,780) | (3,044) | 4,919 | (126,571) |

Wilson Sons Holdings Brasil S.A.

Notes to the parent company and consolidated interim financial information

30 June 2021

(All amounts in thousands of reais, unless otherwise stated)

29. Coronavirus outbreak (“COVID-19”)

Wilson Sons provides port and maritime logistics services established as essential activities by the Brazilian government under Decree 10.282/2020, limiting the negative effects of COVID-19 on the Company's results up to this date. The Company does not predict any material impact on its long-term performance as the global economy is expected to recover in the coming years gradually.

30. Directors' declaration on the interim financial information

As Directors of Wilson Sons Holding Brasil S.A., we state, under Article 25, Paragraph 1, Item VI, of CVM Instruction 480, of December 7, 2009, as amended, that we have reviewed, discussed, and agreed with the Company's Interim Financial Information for the period ended 30 June 2021.

31. Directors' declaration on the Independent Auditors' Review Report

As Directors of Wilson Sons Holding Brasil S.A., we state, under Article 25, Paragraph 1, Item V, of CVM Instruction 480, of December 7, 2009, as amended, that we have reviewed, discussed and agreed with the conclusion in the independent auditor's review report on the Company's Interim Financial Information for the period ended 30 June 2021.

APPRAISAL REPORT
AP-00591/21-01
WILSON SONS LIMITED

| | | | |
|-------------------|----------------|-----------------|------------------------------|
| APPRAISAL REPORT: | AP-00591/21-01 | VALUATION DATE: | June 30 th , 2021 |
|-------------------|----------------|-----------------|------------------------------|

**APPRAISAL REPORT OF THE SHAREHOLDERS' EQUITY OF WILSON SONS LIMITED, IN
ACCORDANCE WITH ACCOUNTING BOOKS**

APSIS CONSULTORIA E AVALIAÇÕES LTDA., limited simple society, established at Rua do Passeio, no. 62, 6th Floor, Centro, City and State of Rio de Janeiro, subscribed with the Corporate Taxpayer Registry (CNPJ) of the Brazilian Ministry of Economy under no. 08.681.365/0001-30, registered in the Regional Accounting Council of Rio de Janeiro under the no. 005112/O-9, represented herein by its undersigned partner, Mr. LUIZ PAULO CESAR SILVEIRA, accountant, bearer of Brazilian National General Registry no. 89100165-5/D, subscribed in the Individual Taxpayer Registry under no. 886.681.937-91 and registered in the Regional Accounting Council of Rio de Janeiro under the no. 118.263/P-0, resident and domiciled in the City and State of Rio de Janeiro, with head office localized at Rua do Passeio, no. 62, 6th Floor, Centro, City and State of Rio de Janeiro, was nominated by WILSON SONS HOLDINGS BRASIL S.A., hereinafter denominated WILSON SONS HOLDINGS, established at Rua da Quitanda, no. 86, 5th Floor, Office 501, Centro, City and State of Rio de Janeiro, subscribed with the Corporate Taxpayer Registry of the Brazilian Ministry of Economy under the no. 33.130.691/0001-05, to proceed with the shareholder's equity appraisal of WILSON SONS LIMITED, established at Post Office Box HM 1.022, City of Hamilton, Pembroke Parish, Bermuda Islands, subscribed with the Corporate Taxpayer Registry of the Brazilian Ministry of Economy under the no. 05.721.735/0001-28, on June 30th, 2021, in accordance with the Brazilian accounting practices, features next the result of its work.

1. APPRAISAL REPORT PURPOSE

The purpose of this report is to issue an appraisal conclusion on WILSON SONS LIMITED's shareholders' equity appraisal on June 30th, 2021, in accordance with the accounting practices adopted in Brazil to support the merger of WILSON SONS LIMITED into WILSON SONS HOLDINGS.

2. COMPANY'S RESPONSIBILITY FOR ACCOUNTING INFORMATION

The company's management is responsible for the bookkeeping and elaboration of the accounting information in accordance with Brazilian accounting practices, as well as for the relevant internal controls necessary to prepare the accounting information, without distortions, whether these distortions were caused by fraud or error. The summary of the main accounting practices adopted by WILSON SONS LIMITED is described in the Attachment 2 of this Appraisal Report.

3. WORK ASSUMPTIONS AND ACCOUNTANT'S RESPONSIBILITY

It's our responsibility to present a conclusion on WILSON SONS LIMITED's shareholders equity as of June 30th, 2021, in accordance with the Technical Communication CTG 2002, approved by the Federal Accounting Council (CFC), which regulates the procedures to issue Appraisal Reports.

As WILSON SONS LIMITED is located in the Bermuda Islands, its accounting information practices are in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Considering the current convergence process between the accounting practices adopted in Brazil and the IFRS, the company's management understands that WILSON SONS LIMITED's balance sheet is not significantly affected by any differences in the practices previously mentioned. Thus, we've examined the company's balance sheet in accordance with the applicable accounting standards and in compliance with ethical requirements. In addition, we have planned and carried out in order to obtain reasonable assurance that the balance sheet and shareholders equity for the preparation of our Appraisal Report is free from material misstatement.

The issuance of an Appraisal Report involves the execution of procedures to obtain evidence regarding the accounted amounts. This analysis depends on the accountant's judgment, including the assessment of the risks of significant distortion in shareholders' equity, regardless of whether it is caused by fraud or error. In this assessment, the accountant considers the internal controls relevant to the company's balance sheet and the appropriate processes to the circumstances, but it doesn't have the objective of expressing an opinion on the effectiveness of such documents.

The work also includes assessing the adequacy of the accounting policies used, and the reasonableness of the accounting estimates made by WILSON SONS LIMITED's management. We believe that the evidence obtained is sufficient and adequate to support our conclusion.

4. CONCLUSION

Based on the work performed, we concluded that the amount of **BRL 191,178,296.07** (one hundred and ninety-one million, one hundred and seventy-eight thousand, two hundred and ninety-six reais and seven cents), as of June 30th, 2021, recorded in the accounting books and summarized in Attachment 1, represents, in all material respects, the shareholders equity of **WILSON SONS LIMITED**. This must be considered prior to the elimination of **WILSON SONS LIMITED**'s interest in **WILSON SONS HOLDINGS**, valued in accordance with Brazilian accounting practices.

5. EMPHASIS

We would like to call your attention to the note presented in Attachment 2 of this Appraisal Report, which describes the uncertainty regarding the quantitative and qualitative impacts arising from the recent COVID-19 pandemic. Our conclusion about **WILSON SONS LIMITED**'s book equity is not qualified due to this matter.

6. CONVENIENCE TRANSLATION INTO ENGLISH

This is a free translation into English of the Appraisal Report issued in Portuguese and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with Brazilian law and professional accounting standards applicable in Brazil.

São Paulo, August 13th, 2021.

APSYS CONSULTORIA E AVALIAÇÕES LTDA.
CRC/RJ 005112/O-9



LUIZ PAULO CESAR SILVEIRA
Vice President (CRC/RJ 118.263/P-0)

7. LIST OF ATTACHMENTS

1. SUPPORT DOCUMENTATION - BALANCE SHEET
2. SUMMARY OF THE MAIN ACCOUNTING PRACTICES ADOPTED BY WILSON SONS LIMITED AND ITS SUBSIDIARIES
3. GLOSSARY

RIO DE JANEIRO - RJ
Rua do Passeio, nº 62, 6º Andar
Centro, CEP 20021-280
Tel.: + 55 (21) 2212-6850 Fax: + 55 (21) 2212-6851

SÃO PAULO - SP
Av. Angélica, nº 2.503, Conj. 101
Consolação, CEP 01227-200
Tel.: + 55 (11) 4550-2701



ATTACHMENT 1

Wilson Sons Limited
CNPJ: 05.721.735/0001-28
Balanço patrimonial
Período de seis meses findos em 30 de junho de 2021
(Em reais brasileiros)

R\$

Ativo

| | |
|---|----------------|
| Caixa e equivalentes de caixa | 65.537.499,83 |
| Total dos ativos circulantes | 65.537.499,83 |
| Depósitos judiciais | - |
| Contas a receber de partes relacionadas | 100.877.706,67 |
| Investimentos | 24.228.063,91 |
| Outros ativos não circulantes | 710.102,66 |
| Total dos ativos não circulantes | 125.815.873,24 |
| Total do ativo | 191.353.373,07 |

Passivo e patrimônio líquido

| | |
|---|------------------|
| Contas a pagar de partes relacionadas | 175.077,00 |
| Total dos passivos circulantes | 175.077,00 |
| Total do passivo | 175.077,00 |
| Patrimônio líquido | |
| Capital social | 27.781.376,95 |
| Reserva legal | 3.540.658,22 |
| Derivativos | (158.094,20) |
| Reservas de capital | 242.570.000,00 |
| Benefício pós emprego | - |
| Reservas de lucros | (152.282.401,84) |
| Opções de ações | - |
| Outros resultados abrangentes | 69.726.756,94 |
| Patrimônio líquido atribuível aos controladores | 191.178.296,07 |
| Participação de não controladores | - |
| Total do patrimônio líquido | 191.178.296,07 |
| Total dos passivos e patrimônio líquido | 191.353.373,07 |

DocuSigned by:

Eduardo Freitas

CD11D6667B62424...
 Eduardo Mello de Freitas
 Contador CRC-RJ 117392/O-9

Certificado de Conclusão

Identificação de envelope: C2B2AF12B5454A9499EC5E7DD6A6DF51

Status: Concluído

Assunto: DocuSign: Balanço em R\$ - WSL 06.2021.pdf

Número da Requisição JO:

Envelope fonte:

Documentar páginas: 1

Assinaturas: 1

Remetente do envelope:

Certificar páginas: 4

Rubrica: 0

Kelly Calazans

Assinatura guiada: Ativado

Rua da Quitanda, 86, 5o andar, sala 501

Selo com Envelopeld (ID do envelope): Ativado

RJ, Rio de Janeiro 20091-005

Fuso horário: (UTC-03:00) Brasília

kelly.calazans@wilsonsons.com.br

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Rastreamento de registros

Status: Original

Portador: Kelly Calazans

Local: DocuSign

10/08/2021 15:49:41

kelly.calazans@wilsonsons.com.br

Eventos do signatário**Assinatura****Registro de hora e data**

Eduardo Freitas

eduardo.freitas@wilsonsons.com.br

Nível de segurança: E-mail, Autenticação da conta (Nenhuma)

DocuSigned by:



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Visualizado: 10/08/2021 15:54:44

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Aceito: 23/03/2020 14:12:58

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Eventos do signatário presencial**Assinatura****Registro de hora e data****Eventos de entrega do editor****Status****Registro de hora e data****Evento de entrega do agente****Status****Registro de hora e data****Eventos de entrega intermediários****Status****Registro de hora e data****Eventos de entrega certificados****Status****Registro de hora e data****Eventos de cópia****Status****Registro de hora e data****Eventos com testemunhas****Assinatura****Registro de hora e data****Eventos do tabelião****Assinatura****Registro de hora e data****Eventos de resumo do envelope****Status****Carimbo de data/hora**

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Segurança verificada

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Assinatura concluída

Segurança verificada

10/08/2021 15:54:51

Concluído

Segurança verificada

10/08/2021 15:54:51

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- Until or unless you notify WILSON, SONS as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by WILSON, SONS during the course of your relationship with WILSON, SONS.

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ATTACHMENT 2

SUMMARY OF THE MAIN ACCOUNTING PRACTICES ADOPTED BY WILSON SONS LIMITED AND ITS SUBSIDIARIES

▪ Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and highly liquid short-term investments, which are subject to an insignificant risk of change in fair value.

Cash and equivalents represented in US dollars, represent mostly deposit investments in great financial institutions, on long maturity profile. The amount represented in Brazilian Reais, represent certified investments in bank's deposits and Brazilian National Treasury Bills. Wilson Son's Group also has an exclusive investment fund in Itaú BBA S.A. bank, included in the Consolidated Financial Statements. Those investments are rated short-term highly liquid cash equivalents, which are subject to an insignificant risk of changes in value. Financial assets at fair value are recognized daily in the income statement. The fund liabilities are limited to Itaú BBA bank fees, audit costs and certain other administrative expenses.

▪ Investments

Share participation in associate companies is accounted for using the asset equity method.

▪ Receivables

Are initially recognized at fair value on the date that their contract is entered into. Generally, interest of 1% per month plus a 2% penalty is charged on overdue balances. Allowances for bad debts are recognized as a reduction of receivables. Since January 1st, 2018, complying to the IFRS 9, The Group recognizes an allowance for bad debts taking into account an expected credit loss model that involves historical evaluation of effective losses over billing cycles. The period of review is 3.5 years, reassessed every 180 days. The measurement of the default rate considers the recoverability of receivables and will apply according to the payment profile of debtors. Debts are written off when a customer has gone into liquidation or there is an adjustment in a receivable balance as a result of a judicial proceeding. The Group will calibrate, when appropriate, the matrix to adjust the historical credit loss experience with forward-looking information. Due to the COVID-19 pandemic, the Company has reviewed the variables that make up the methodology of measurement of estimated losses. There has been no increase in customer default rate due to the outbreak.

▪ Related-party loans

Transactions between the Company and its subsidiaries which are related parties, with no interest adjustments and no maturity date.

▪ Bank loans

Group's bank loans, in average, are at fixed rates and mostly issued by *Fundo da Marinha Mercante's* ("FMM"). Other loans are exposed to floating rates, listed below:

- (i) TJLP (*Taxa de Juros de Longo Prazo* - "Long term interest rate") - denominated funding through a FINAME credit line for port and logistics operations.

- (ii) CI (*Taxa de Juros Brasileira Interbancário* - Brazilian Interbank Interest Rate) for Brazilian loans issued in Reais to fund logistics operations.
- (iii) IPCA (Brazilian National Consumer Prices) for Brazilian loans issued in Real to fund in port operations and offshore support bases.

EFFECTS OF COVID-19 ON ACCOUNTING INFORMATION

To this date, WILSON SONS LIMITED does not hold risks at operational continuity, neither to the main judgements and accounting expectations. However, the company has reflected the COVID-19 pandemic's impacts on its economic and financial statements as of June 30th, 2021.

A small orange triangle pointing to the right, positioned to the left of the text "ATTACHMENT 3".

ATTACHMENT 3

Glossary

A

Amortization

Systematic allocation of the depreciable value of an asset over its useful life.

Asset

A resource controlled by the entity as a result of past events from which future economic benefits are expected for the entity.

Asset Approach

Valuation of companies where all assets (including those not accounted for) have their values adjusted to the market. Also known as market net equity.

B

Base Date

Specific date (day, month and year) of application of the assessment value.

Basic Infrastructure

Urban rainwater drainage equipment, street lighting, sewage system, drinking water, public and home electricity supply and access routes.

Book Value

The value at which an asset or liability is recognized on the balance sheet.

Business Combination

Union of separate entities or businesses producing financial statements of a single reporting entity. Transaction or other event by which an acquirer obtains control of one or more businesses, regardless of the legal form of operation.

C

CAPEX (Capital Expenditure)

Fixed asset investments.

Capital Structure

Composition of a company's invested capital, between own capital (equity) and third-party capital (debt).

Cash Flow

Cash generated by an asset, group of assets or business during a given period of time. Usually the term is supplemented by a qualification referring to the context (operating, nonoperating, etc...).

Cash Flow on Invested Capital

Cash flow generated by the company to be reverted to lenders (interest and amortizations) and shareholders (dividends) after consideration of cost and operating expenses and capital investments.

Cash-Generating Unit

Smallest identifiable group of assets generating cash inflows that are largely independent on inputs generated by other assets or groups of assets.

Company

Commercial or industrial entity, service provider or investment entity holding economic activities.

Conservation Status

Physical status of an asset as a result of its maintenance.

Control

Power to direct the strategic policy and administrative management of a company.

Cost

The total direct and indirect costs necessary for production, maintenance or acquisition of an asset at a particular time and situation.

Cost of Capital

Expected rate of return required by the market as an attraction to certain investment funds.

CFC

Conselho Federal de Contabilidade

CPC (Comitê de Pronunciamentos Contábeis)

Accounting Pronouncements Committee.

CVM

Securities and Exchange Commission.

D

Date of Issue

Closing date of the valuation report, when conclusions are conveyed to the client.

DCF (Discounted Cash Flow)

Discounted cash flow.

D & A

Depreciation and amortization.

Depreciable Value

Cost of the asset, or other amount that substitutes such cost (financial statements), less its residual value.

Depreciation

Systematic allocation of the depreciable value of an asset during its useful life.

Direct Production Cost

Spending on inputs, including labor, in the production of goods.

Discount Rate

Any divisor used to convert a flow of future economic benefits into present value.

E

EBIT (Earnings before Interest and Taxes)

Earnings before interest and taxes.

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

Earnings before interest, taxes, depreciation and amortization.

Economic Benefits

Benefits such as revenue, net profit, net cash flow, etc.

Enterprise

Set of properties capable of producing revenue through marketing or economic exploitation. It can be: real estate (e.g. subdivision, commercial / residential buildings), real-estate based (e.g., hotel, shopping mall, theme parks), industrial or rural.

Enterprise Value

Economic value of the company.

Equity Value

Economic value of the equity.

Expertise

Technical activity performed by a professional with specific expertise to investigate and clarify facts, check the status of property, investigate the causes that motivated a particular event, appraise assets, their costs, results or rights.

F

Facilities

Set of materials, systems, networks, equipment and operational support services for a single machine, production line or plant, according to the degree of aggregation.

Fair Market Value

Value at which an asset could have its ownership exchanged between a potential seller and a potential buyer, when both parties have reasonable knowledge of relevant facts and neither is under pressure to do so.

Financial Lease

That which substantially transfers all the risks and benefits related to the ownership of the asset, which may or may not eventually be transferred. Leases that are not financial leases are classified as operating leases.

Fixed Asset

Tangible asset available for use in the production or supply of goods or services, in third-party leasing, investments, or for management purposes, expected to be used for more than one accounting period.

G

Goodwill

See Premium for Expected Future Profitability.

I

IAS (International Accounting Standards)

Principles-based standards, interpretations and the framework adopted by the International Accounting Standards Board (IASB). See International Accounting Standards.

IASB (International Accounting Standards Board)

International Accounting Standards Board. Standard setting body responsible for the development of International Financial Reporting Standards (IFRSs).

IFRS (International Financial Reporting Standards)

International Financial Reporting Standards, a set of international accounting pronouncements published and reviewed by the IASB.

Impairment

See Impairment losses

Impairment Losses (impairment)

Book value of the asset that exceeds, in the case of stocks, its selling price less the cost to complete it and expense of selling it; or, in the case of other assets, their fair value less expenditure for sale.

Income Approach

Valuation method for converting the present value of expected economic benefits.

Indirect Production Cost

Administrative and financial costs, benefits and other liens and charges necessary for the production of goods.

Intangible Asset

Identifiable non-monetary asset without physical substance. This asset is identifiable when: a) it is separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, leased or exchanged, either alone or together with the related contract, asset or liability; b) it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

International Accounting Standards (IAS)

Standards and interpretations adopted by the IASB. They include: International Financial Reporting Standards (IFRS) International Accounting Standards (IAS) and interpretations developed by the Interpretation Committee on International Financial Reporting Standards (IFRIC) or by the former Standing Interpretations Committee (SIC).

Investment Property

Property (land, building or building part, or both) held by the owner or lessee under the lease, both to receive payment of rent and for capital appreciation or both, other than for use in the production or supply of goods or services, as well as for administrative purposes.

Investment Value

Value for a particular investor based on individual interests in the property in question. In the case of business valuation, this value can be analyzed by different situations, such as the synergy with other companies of an investor, risk perceptions, future performance and tax planning.

L

Liability

Present obligation that arises from past events, whereby it is hoped that the settlement thereof will result in the inflow of funds from the entity embodying economic benefits.

Liquidity

Ability to rapidly convert certain assets into cash or into the payment of a certain debt.

M

Market Approach

Valuation method in which multiple comparisons derived from the sales price of similar assets are adopted.

Multiple

Market value of a company, share or invested capital, divided by a valuation measurement of the company (EBITDA, income, customer volume, etc...).

N

Net Debt

Cash and cash equivalents, net position in derivatives, short-term and long-term financial debts, dividends receivable and payable, receivables and payables related to debentures, short-term and long-term deficits with pension funds, provisions, and other credits and obligations to related parties, including subscription bonus.

Non-Operating Assets

Those not directly related to the company's operations (may or may not generate revenue) and that can be disposed of without detriment to its business.

O

Operating Assets

Assets that are basic to the company's operations.

Operating Lease

That which does not substantially transfer all the risks and benefits incidental to the ownership of the asset. Leases that are not operating leases are classified as financial leases.

P

Parent Company

An entity that has one or more subsidiaries.

Premium for Expected Future Profitability (goodwill)

Future economic benefits arising from assets not capable of being individually identified or separately recognized.

Present Value

The estimated present value of discounted net cash flows in the normal course of business.

Price

The amount by which a transaction is performed involving a property, a product or the right thereto.

Property

Something of value, subject to use, or that may be the object of a right, which integrates an equity.

R

Real Estate

Property, consisting of land and any improvements incorporated thereto. Can be classified as urban or rural, depending on its location, use or to its highest and best use.

Recoverable Value

The highest fair value of an asset (or cashgenerating unit) minus the cost of sales compared with its value in use.

Remaining Life

A property's remaining life.

Replacement Cost

A property's reproduction cost less depreciation, with the same function and features comparable to the property assessed.

Replacement Value for New

Value based on what the property would cost (usually in relation to current market prices) to be replaced with or substituted by a new, equal or similar property.

Reproduction Cost

Expense required for the exact duplication of a property, regardless of any depreciation.

Reproduction Cost Less Depreciation

A property's reproduction cost less depreciation, considering the state it is in.

Residual Value

Value of new or used asset projected for a date limited to that in which it becomes scrap, considering its being in operation during the period.

Residual Value of an Asset

Estimated value that the entity would obtain at present with the sale of the asset, after deducting the estimated costs thereof, if the asset were already at the expected age and condition at the end of its useful life.

S

Shareholders' Equity at Market Prices

See Assets Approach.

Subsidiary

Entity, including that with no legal character, such as an association, controlled by another entity (known as the parent company).

Supporting Documentation

Documentation raised and provided by the client on which the report premises are based.

T

Tangible Asset

Physically existing asset, such as land, building, machinery, equipment, furniture and tools.

Technical Report

Detailed report or technical clarification issued by a legally qualified and trained professional on a specific subject.

U

Useful Economic Life

The period in which an asset is expected to be available for use, or the number of production or similar units expected to be obtained from the asset by the entity.

V

Valuation

Act or process of determining the value of an asset.

Valuation Methodology

One or more approaches used in developing evaluative calculations for the indication of the value of an asset.



Voting Instructions

For the Special General Meeting of Wilson Sons Limited (the “Company”) to be held on 22 October 2021 at 10:00 am at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

I am/we are the beneficial owner of _____ (please indicate number) of the Company's BDRs (Brazilian Depositary Receipts) listed on B3 - Code: WSON33.

The voting instructions below shall be applicable to all the BDRs registered under my/our name on the B3 on 21 September 2021.

Shareholders' Resolutions

(Item pursuant to Agenda)

**Acceptance
of the Board
of Directors'
Proposal**

**Rejection of
the Board of
Directors'
Proposal**

Abstention

- 1) The Merger of the Company into Wilson Sons Holdings Brasil S.A. pursuant to the terms of the protocol and justification of merger between the Company and WS SA; and the merger agreement between the Company and WS S.A.

☐☐☐

In the absence of instructions (or should the above instructions not be clear), the Custodian Agent, Itau Unibanco S.A. will not exercise your voting rights. BDR holders must timely and correctly return the Voting Instructions Form to Itau Unibanco SA, at Rua Ururai, 111 – Prédio II – Piso Térreo– In the care of DISO – ADR/BDR Gerência de escrituração - Bairro: Tatuapé – São Paulo/SP – CEP: 03084-010 or through the email address: dr.itaun@itau-unibanco.com.br.

Date: _____

Signature of Beneficial Owner /

Legal Representative: _____

Name of Beneficial Owner /

Legal Representative: _____

CPF / CNPJ of Beneficial Owner: _____



Voting instructions properly filled out, signed by a legal representative (with a copy of all the documents proving the legal representation), notarized, with a copy of a statement from B3 with the position registered on 21 September 2021, and received by the depositary agent, Itaú Unibanco, no later than 4 p.m (Brasilia) on 13 October 2021 will be accepted. Forms arriving after that date or without signature will be disregarded.

Address: Itaú Unibanco S.A., na Rua Ururai, 111 – Prédio II – Piso Térreo - Bairro: Tatuapé – São Paulo/SP – CEP: 03084-010 – C/O DSMC / Superintendência de Custódia Internacional / Unidade de Atendimento Cliente Não Residente - ADR/BDR

WILSON SONS LIMITED
CNPJ 05.721.735/0001-28
Publicly Listed Company

WILSON SONS HOLDINGS BRASIL S.A.
CNPJ 33.130.691/0001-05

Company in the process of registration with CVM as a category “A” issuer

MATERIAL FACT

Rio de Janeiro, 21 September 2021 – Wilson Sons Limited (B3: WSON33) (“WSL”) and Wilson Sons Holdings Brasil S.A. (“WS S.A.”, and together with WSL, the “Companies” and each a “Company”), in furtherance to the material facts disclosed on 23 May 2021 and 1 July 2021, hereby inform that, on this date, their respective Board of Directors have approved at their respective meetings the terms and conditions relating to the intended restructuring, which consists of the merger of WSL into WS S.A., as provided for by Law No. 6,404, 15 December 1976, as amended (“Brazilian Corporations Law”), and other applicable legal and regulatory provisions (“Merger” or “Restructuring”), ad referendum of each Company's special general meeting. The Board of Directors of WSL also approved the convening of the special general meeting of WSL, to be held, on first call, on 22 October 2021. The special general meeting of WS S.A. will be held on the same date, without a call notice due to the presence of the entire share capital, which is owned by WSL.

The terms and conditions of the Merger, described below, are set out in the Protocol and Justification of the Merger (“Protocol and Justification”), which have been approved by each Company's Board of Directors, and signed on this date by their respective executive officers, and which will be submitted for deliberation by each Company's special general meeting.

A) Companies Involved in the Restructuring and their Activities

WSL is a company incorporated under the laws of Bermuda, registered as a foreign issuer at CVM in category A, and is currently the sponsor of a Brazilian Depositary Receipts Level III (“BDRs”) Program, which are traded on B3 SA - Brasil, Bolsa, Balcão (“B3”). WSL is a controlling shareholder of WS S.A. and, at the time of the Restructuring, will be the sole shareholder of WS S.A., holding all of its shares issued.

WS S.A. is a Brazilian company, which is in the process of registration with CVM as a category “A” issuer. As described in item “B” below, upon implementation of the Merger, the shares issued by WS S.A. shall be listed on the Novo Mercado segment of B3 (“Novo Mercado”), using the ticker PORT3.

Each Company, through their subsidiaries, performs activities as integrated providers of port and maritime logistics, whose operating segments include: (i) container terminals, (ii) towage and shipping agency, (iii) offshore support bases, (iv) logistics, (v) shipyards and (vi) offshore support vessels. With over 180 years of experience, the companies of Wilson Sons group (“Wilson Sons Group”) have relevant national coverage and offer solutions to support domestic and international trade flow, as well as the oil and gas industry. For further information, please see the items 7.1 and 7.3 of the WSL Reference Form.

B) Description of the Restructuring

The Restructuring will consist of the merger of WSL into WS S.A., pursuant to the Brazilian Corporations Law, and other applicable legal and regulatory provisions, including, with respect to WSL, the provisions of the Companies Act 1981 of Bermuda ("Bermuda Companies Act"). As a result of the Merger, WSL will be absorbed by WS S.A., and its shares and BDRs will cease to exist. WS S.A. will succeed WSL in all rights and obligations. The Restructuring is subject to approval at the special general meetings of WSL and WS S.A. For further information on the purpose of the Restructuring, see item "C" below.

As a result of the Merger, and the consequent transfer of the net assets of WSL to WS S.A.: (i) all registered common shares without par value, issued by WS S.A. and which are under the ownership of WSL, will cease to exist, and (ii) the issued capital of WS S.A. will be increased, with the consequent issuance of new common shares, without par value ("New Shares"), to be attributed to shareholders (including BDR holders) of WSL that are shareholders (or BDR holders) of WSL on the date of approval of the Restructuring by the special general meetings of each Company.

As such, immediately upon completion of the Restructuring, the only shareholders of WS S.A. will be the former shareholders (including BDR holders) of WSL, who will become holders of the New Shares, to be listed on the Novo Mercado, replacing the WSL shares or BDRs in their ownership, which will cease to exist as a result of the Merger, subject to the provisions of item "D" below.

The organizational charts below illustrate the corporate structure before and after the intended Restructuring.



C) Main Benefits, Costs and Risks of the Restructuring

The management of WS S.A. and WSL believe that the Restructuring is in the best interests of each of respective Company and their shareholders as the benefits of the Merger include:

- i. the simplification of the corporate structure in which WSL and WS S.A. are inserted, so that WS S.A. will become the new holding company of the Wilson Sons Group, whose operations are currently concentrated in Brazil, with the consequent increase in its operational and administrative efficiency;
- ii. the issuance to the shareholders (including the holders of BDRs) of WSL of WS S.A. common shares, to be listed on the Novo Mercado, replacing the respective BDRs, so that the common shares issued by WS S.A. are expected to have greater stock liquidity when compared to the liquidity of BDRs; and
- iii. the expanded access to the Brazilian and international capital markets, considering that WS S.A. will be a national issuer registered with CVM under category "A", and upon the Merger, it will be listed on the Novo Mercado, a segment of B3 that requires higher standards of corporate governance.

For the purposes of carrying out the Restructuring, it is estimated that the costs for the Companies since the beginning of the Restructuring studies will total approximately R\$7,500,000.00 million (Seven million five hundred reais), which includes costs of assessments; legal, accounting and financial advice; publications and other expenses related to the Restructuring.

There are no material risks specifically associated with the Restructuring, to the best knowledge of the management of each Company. It is noteworthy, however, that the success of the Restructuring will depend on the effective value generation and liquidity opportunities resulting from this Merger, which, in part, depends, among other factors, on the economic situation and contingencies and uncertainties beyond the control of the Companies. In the event that such goals are not partly or fully accomplished the benefits expected from the Restructuring may not be entirely or immediately verified. Additionally, the New Shares, to be listed on the Novo Mercado, will be subject to volatility, among other risks inherent to the Brazilian capital market. For further information, please see the related risks in the items 4.1 and 4.2 of the Reference Form of WSL.

D) Exchange Ratio of Shares and Criteria for Determination of the Exchange Ratio

Pursuant to the Protocol and Justification, the management of the Companies agree to set the exchange ratio of 1:1 between shares issued by WSL (including BDRs) and shares issued by WS S.A., so that, as a result of the Restructuring, holders (including BDRs holders) of shares issued by WSL shall receive 1 (one) subscribed and paid-in common share issued by WS S.A., for each 1 (one) common share issued by WSL (or BDR) owned ("Consideration for the Merger").

This exchange ratio was freely negotiated and agreed upon between the Companies, and approved by their respective Boards of Directors, in order to reflect the fact that WSL, at the time of the Restructuring, will be the sole shareholder of WS S.A., allowing the concession of WS S.A. shares to holders of WSL shares (including BDRs) in an amount equivalent to the amount of WSL shares (or BDRs) held by them prior to the Merger, without any dilution; as well as the fact that, as a result of the Merger, WS S.A. will own the same assets and liabilities that, directly or indirectly, were owned by WSL before the Merger.

For the purposes of Section 106(2) of the Bermuda Companies Act, the Board of Directors of WSL has established that the Consideration for the Merger corresponds to the fair value of the common shares issued by WSL (including BDR).

Thus, upon the completion of the Merger, 72,859,960 shares issued by WSL (including BDR's underlying shares) that are held by its shareholders (including BDR holders) will cease to exist, and the respective shareholders (including BDR holders) will receive 72,859,960 shares issued by WS S.A.

E) Approval of the Restructuring

On 9 July 2021, WSL received the approval of the Minister of Finance of Bermuda with respect to Brazilian jurisdiction for the purpose of implementing the Restructuring, pursuant to Section 132G of the Bermuda Companies Act. Except for such consent, which has already been duly obtained, the Restructuring has not been or will not be subject to any approval from authorities in Brazil or abroad.

It should be noted that the consummation of the Merger is subject to the respective approvals of the special general meetings of each Company.

Finally, as mentioned above, as a result of the Merger, the shares issued by WSL that serve as underlying shares for the BDRs will cease to exist. In this context, it is hereby informed that the WSL-sponsored BDR Programme will be discontinued, without the process described in item 6.6.7 of the B3's Issuer Manual, which is conditional on: (i) obtaining the publicly-held corporation registration of WS S.A.; and (ii) the approval of the listing and admission to trading of shares issued by WS S.A. on the Novo Mercado by B3, which is expected to occur as soon as the Merger is approved by the special general meetings of each Company.

F) Inapplicability of the Right of Withdrawal

Considering that WSL is a company incorporated under the laws of Bermuda, holders of securities issued by WSL (including BDRs) will not have the right to withdraw under the Brazilian Corporations Law, subject to the provisions of items "G" and "H" below.

G) Assessment and Financial Information

In compliance with the article 6, caput and paragraph 2, of CVM Instruction No. 565, of 15 June 2015 ("CVM Instruction 565"), for the purposes of the Restructuring, the Companies will use the respective interim financial statements dated as of 30 June 2021.

Pursuant to article 226 of the Brazilian Corporations Law, Apsis Consultoria e Avaliação Ltda. ("Appraiser") was engaged to carry out the appraisal of WSL's net worth at book value. The respective appraisal report prepared by the Appraiser is attached to the Protocol and Justification.

The Companies inform that pro forma financial statements of WS S.A. will not be prepared, considering the effects of the Merger, considering that the Merger will not represent a dilution greater than 5% (five percent), as provided for in article 10, caput and paragraph 1 of CVM Instruction 565; as well as that the Merger is not classified as relevant by the criteria established by the accounting standards, guidelines and interpretations regarding pro forma financial statements, as provided for in article 10, paragraph 3, of CVM Instruction 565.

In addition, the WS S.A. and WSL net equity was not evaluated using the criteria of net equity value at market prices or discounted cash flow, pursuant to article 264 of the Brazilian Corporations Law, also due to the fact that WSL is a

foreign company incorporated under the laws of Bermuda and considering that WS S.A. is a Brazilian corporation that does not have minority shareholders. Furthermore, the Merger will not dilute the equity interests of current shareholders or holders of WSL's BDRs. Considering these characteristics, it has been determined that there is no interest to be protected by the CVM, and action is not appropriate, in the sense of requiring the preparation of the reports referred to in art. 264 of the Brazilian Corporations Law, pursuant to Technical Opinion No. 26/2021-CVM/SEP/GEA-4.

H) Appraisal Rights

Any shareholder of WSL who dissents from the Merger and who does not agree that the exchange ratio offered for their shares represents fair value may, within one month from the convening date of WSL's special general meeting, exercise their appraisal rights under the Bermuda Companies Act, in order to have the fair value of shares issued by WSL determined by the Supreme Court of Bermuda ("Court").

Appraisal rights may only be exercised by WSL shareholders, which are those shareholders duly registered in the WSL shareholder register, and not by BDR holders, who hold ownership interest in WSL shares. If they wish to exercise appraisal rights, such BDR holders must notify the depositary institution of the BDRs (Itaú Unibanco SA) in advance to cancel their BDRs and request the custodian (The Bank of New York (Nominees) Limited) to transfer the shares so that the shares can be duly registered in the WSL shareholder register in the name of such former BDR holders (each a "Dissenting Shareholder"), prior to exercising their appraisal rights.

Bermuda law does not provide for the operationalization of the provisions regarding the Bermuda Companies Act that govern appraisal rights or the valuation process by the Court, which maintains discretion as to the methodology to be adopted to determine the fair value of shares in a valuation request pursuant to the Bermuda Companies Act. In any event where a Dissenting Shareholder has made a request for valuation, in respect of WSL shares held by such Dissenting Shareholder, and the Merger has been effected in accordance with Bermuda law prior to the valuation of the Court regarding the fair value of such dissenting shares, so if the fair value of the dissenting shares is further appraised by the Court, such Dissenting Shareholder will receive the difference between the amount already paid to him (in WS S.A. shares) and the amount equal to the value appraised by the Court, if any, within one month of the Court's appraising.

Cancellation and transfer fees, legal expenses and legal fees that may be charged, as well as taxes, must be carefully analyzed by the Dissenting Shareholder before filing a request with the Court. WSL shareholders who exercise appraisal rights are not entitled to appeal the Court's decision. Claim cost liability, as provided for in Section 106 of the Bermuda Companies Act, will be determined at the discretion of the Court.

I) Other Relevant Information

Further information about the Companies, as well as documents relevant to the Restructuring, including the Protocol and Justification, are available: (i) at B3's website (www.b3.com.br); (ii) at CVM's website (www.cvm.gov.br); and (iii) at WSL website (www.wilsonsons.com.br/ir).

This Material Fact is for informational purposes and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such an offer, solicitation or sale would be illegal in the absence of registration or qualification under the securities laws of such jurisdiction. This Material Fact should not, under any circumstances, be considered a recommendation to invest in the Companies' securities. When deciding to invest in such securities, potential investors

must carry out their own analysis and assessment of the financial situation of the Companies, their activities and the risks arising from the respective investments.

Each Company will keep its shareholders and the overall market informed on the development of the Restructuring, in compliance with the provisions of CVM Resolution No. 44, of 23 August 2021.

About Wilson Sons:

For more information please visit: www.wilsonsons.com.br/ir

Michael Robert Connell

Legal Representative & Investor Relations of WSL and
Investor Relations Officer of WS S.A.