



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)

	Notes	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\$
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 US\$	Capital reserves			Derivatives US\$	Profit reserve US\$	Share options US\$	Retained earnings US\$	Translation reserve US\$	Attributable to owners of the Company US\$	Non-controlling interests US\$	Total US\$
		Share premium US\$	Others US\$	Additional paid-in capital 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)	(288)	13,899	452,571	(172,352)	422,300	812	423,112
Balances at 1 January 2021	-	9,971	72,290	28,780	(7,138)	(167)	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)	(61)	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	Capital reserves				Derivatives	Profit reserve	Share Options	Retained earnings	Translation Reserve	Attributable to owners of the Company	Non-controlling interests	Total
		Share capital	Share premium	Others	Additional paid- in capital								
		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	33,290	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	34,443	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	34,898	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\$
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)

Wilson Sons Limited

Notes to the condensed consolidated interim financial statements

At 30 June 2021

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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\$
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)

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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	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\$
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	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\$
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 US\$	Lease Right US\$	Other US\$	Total 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	31/12/2020	30/06/2021	31/12/2020
	US\$	US\$	R\$	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	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\$
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	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\$
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	31/12/2020	30/06/2021	31/12/2020
			US\$	US\$	R\$	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	31/12/2020	30/06/2021	31/12/2020
	US\$	US\$	R\$	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

	<u>30/06/2021</u>	<u>31/12/2020</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
	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	<u>19,787</u>	<u>16,830</u>	<u>98,979</u>	<u>87,460</u>
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	<u>8,283</u>	<u>6,669</u>	<u>41,432</u>	<u>34,658</u>
Total	<u>28,070</u>	<u>23,499</u>	<u>140,411</u>	<u>122,118</u>

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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 Depository 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	(14,000)	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

	<u>30/06/2021</u>	<u>31/12/2020</u>
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

	<u>30/06/2021</u>	<u>31/12/2020</u>
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:

	<u>30/06/2021</u>	<u>31/12/2020</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
	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	31/12/2020	30/06/2021	31/12/2020
	US\$	US\$	R\$	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	30/06/2020	30/06/2021	30/06/2020
	US\$	US\$	R\$	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 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\$
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\$	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\$	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 R\$	Pro forma eliminations R\$	Eliminations from IFRS 16* R\$	Combined R\$	Investee's adjusted profit or loss R\$	Pro forma eliminations R\$	Eliminations from IFRS 16* R\$	Combined 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 R\$	Pro forma eliminations R\$	Eliminations from IFRS 16* R\$	Combined R\$	Investee's adjusted profit or loss R\$	Pro forma eliminations R\$	Eliminations from IFRS 16* R\$	Combined 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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	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:

	<u>30/06/2021</u>	<u>31/12/2020</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
	<u>US\$</u>	<u>US\$</u>	<u>R\$</u>	<u>R\$</u>
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	<u>6,270</u>	<u>6,120</u>	<u>31,364</u>	<u>31,802</u>

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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 Fname 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.

	Weighted average effective interest rate	Less than 12 months	1-5 years	More than 5 years	Total
30 June 2021	%	US\$	US\$	US\$	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

	Weighted average effective interest rate	Less than 12 months	1-5 years	More than 5 years	Total
30 June 2021	%	US\$	US\$	US\$	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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	Weighted average effective interest rate	Less than 12 months	1-5 years	More than 5 years	Total
31 December 2020	%	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	%	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.

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)

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.

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)

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			Assets		
	(liabilities)	Revenues	Expenses	(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.

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)

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

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 Reals, 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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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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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

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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
Cash flow from investing activities					
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)
Cash flow from financing activities					
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
30 June 2021
(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
30 June 2021
(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
30 June 2021
(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
30 June 2021
(All amounts in thousands of reais, unless otherwise stated)

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.

Notes to the parent company and consolidated interim financial information
30 June 2021
(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
Subsidiaries					
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	-	100.00%	-	100.00%
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%	-
Joint ventures					
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.

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)

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	4,731	(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	2,001	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	Final balance
Wilson Sons Ultratug Participações Ltda.	110,667	(816)	100	(7,990)	-	101,961
Porto Campinas, Logística e Intermodal Ltda	1,128	-	-	(67)	-	1,061
	111,795	(816)	100	(8,057)	-	103,022

31/12/2020						
	Opening balance	Translation reserve	Elimination of profit on construction contracts	Equity result	Capital increase	Final balance
Wilson Sons Ultratug Participações Ltda.	110,667	29,651	230	(28,645)	-	111,903
Porto Campinas, Logística e Intermodal Ltda	1,129	-	-	(122)	121	1,128
	111,796	29,651	230	(28,767)	121	113,031

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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)	(2670)	(9,546)
Net income	(1,831)	1,761	(2670)	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:

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

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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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

<u>Lease liabilities by class of asset</u>	<u>Discount Rate</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
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

<u>Lease liabilities by class of asset</u>	<u>Discount Rate</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
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

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>30/06/2021</u>	<u>31/12/2020</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
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:

	<u>R\$</u>
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	<u>257,132</u>
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	<u>(43,463)</u>
On 30 June 2021	<u>1,570,196</u>

⁽¹⁾ It includes capitalised interest.

The analysis of borrowings by currency is as follows:

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

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

	<u>Labour claims</u>	<u>Tax cases</u>	<u>Civil and environmental cases</u>	<u>Total</u>
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:

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>30/06/2021</u>	<u>31/12/2020</u>	<u>30/06/2021</u>	<u>31/12/2020</u>
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:

	<u>Three-Month Period</u>		<u>Six-Month Period</u>	
	<u>30/06/2021</u>	<u>30/06/2020</u>	<u>30/06/2021</u>	<u>30/06/2020</u>
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)	<u>0.9162</u>	<u>0.2772</u>	<u>1.1104</u>	<u>0.0932</u>

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	<u>1,104,540</u>	-	-	-	-
Total loans		1,570,196		<u>(3,778)</u>	<u>(10,929)</u>	<u>(17,962)</u>
Investments	CDI	127,520	Result	11,847	16,303	20,759
			Net income	<u>8,069</u>	<u>5,374</u>	<u>2,797</u>

(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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31/12/2020						
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 (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: 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 Depository 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

	<u>30/06/2021</u>	<u>31/12/2020</u>
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.
<small>(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).</small>		

Biometric and demographic assumptions

	<u>30/06/2021</u>	<u>31/12/2020</u>
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:

	<u>30/06/2021</u>	<u>31/12/2020</u>
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)

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

APSYS 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

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ATTACHMENT 1

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

	R\$
Ativo	
Caixa e equivalentes de caixa	<u>65.537.499,83</u>
Total dos ativos circulantes	<u>65.537.499,83</u>
Depósitos judiciais	-
Contas a receber de partes relacionadas	100.877.706,67
Investimentos	24.228.063,91
Outros ativos não circulantes	<u>710.102,66</u>
Total dos ativos não circulantes	<u>125.815.873,24</u>
Total do ativo	<u><u>191.353.373,07</u></u>
Passivo e patrimônio líquido	
Contas a pagar de partes relacionadas	<u>175.077,00</u>
Total dos passivos circulantes	<u>175.077,00</u>
Total do passivo	<u><u>175.077,00</u></u>
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	<u>69.726.756,94</u>
Patrimônio líquido atribuível aos controladores	191.178.296,07
Participação de não controladores	<u>-</u>
Total do patrimônio líquido	<u><u>191.178.296,07</u></u>
Total dos passivos e patrimônio líquido	<u><u>191.353.373,07</u></u>

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

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Assinaturas: 1

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Kelly Calazans

Assinatura guiada: Ativado

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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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Status: Original

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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)

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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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Concluído

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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.

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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.

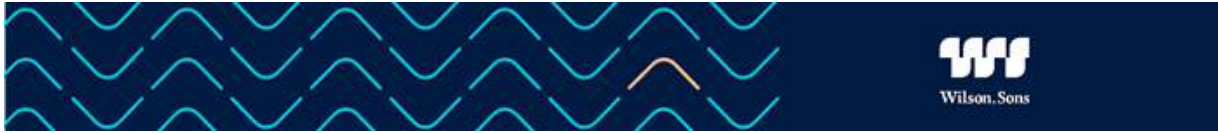
V

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 Itaú 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.itau@itau-unibanco.com.br.

Date: _____

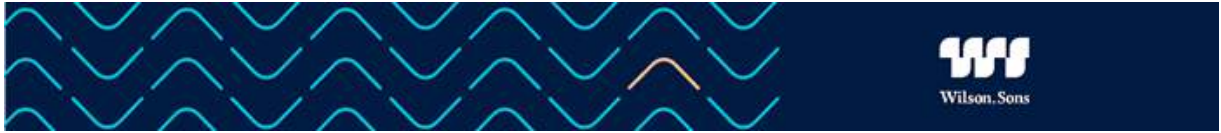
Signature of Beneficial Owner /

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