

PARTICIPANTS

Mr. Fernando Salek – CEO

Mrs. Fabrícia Gomes De Souza – CFO

Mr. Arnaldo Calbucci – COO

PRESENTATION

Operator:

Good morning everyone. Welcome to Wilson Sons Holdings Brasil S.A. earnings conference call for the third quarter of 2021. Today with us we have Fernando Salek, CEO of Wilson Sons, Fabricia Souza, CFO, and Arnaldo Calbucci, COO.

As a reminder, this conference is being recorded and we will have simultaneous translation for those who wish to listen to the English version. During the Company's presentation, all participants will be connected in a listen-only mode.

At the end of the presentation, we will begin the question and answer session for industry analysts. In line with the rules of physical isolation, the Company is conducting this conference digitally. Before proceeding, we would like to mention that page 3 of the presentation contains the usual forward-looking statements for your reference.

Now, I would like to turn the conference over to Fabrícia Souza.

Ms. Fabrícia Gomes De Souza – CFO

Thank you.

Good morning everyone. I hope you are safe and healthy. Welcome to our earnings conference call for the third quarter of 2021 from Wilson Sons.

I would like to start with an update on how Wilson Sons is dealing with the pandemic. Despite the loosening of COVID-19 restrictions due to the vaccine rollout and the reduction in the number of cases in Brazil, the company continues to put its efforts into protecting all employees and other stakeholders. The good news is that the Company reached the milestone of 93% of our staff fully vaccinated, our main goal continues to be the completion of COVID-19 vaccine series and we expect to achieve 100% of our employees vaccinated by the end of December. Our goal is the complete vaccination for the entire staff. The vaccine rollout, in addition to the solid work of our HSE area, has enhanced security and serenity for our employees to continue performing their activities with great commitment and flexibility. We have no doubt that this is an essential factor for the success and strength of our operations.

Turning to slide 5, let's talk about our environmental, social and corporate governance practices.

The company is committed to continuously develop and improve its ESG practices as part of its strategy. This agenda is supported by the company's Executive Board and Board of Directors. We always seek to adopt the best ESG practices and our listing on the Novo Mercado segment only reinforces this company objective.

In this last quarter we also had some important achievements that we want to share with you. Since 2013 we have been releasing our Greenhouse Gas Inventories and for the first time in September, we were qualified with the Gold certification, granted to entities which have all their emission sources verified by independent auditors. Also in September, we applied to the Great Place To Work® survey for the first time, and, based on the responses of our employees to the survey, Wilson Sons was certified and recognized by the global consultancy Great Place To Work as an excellent place to work! We are very proud of our achievements.

In the third quarter, our lost-time injury frequency rate increased to 0.84 incidents per one million man-hours worked which is above the level achieved in 2020. Safety continues to be a priority value in our company and several measures have been implemented to improve this rate, including training and constant awareness actions with our employees.

Moving to slide 6, we highlight the listing on B3's Novo Mercado segment.

Concluding our corporate restructuring announced in May, on 25 October we celebrated our stock debut on B3's Novo Mercado under the ticker PORT3. Thus, we start a new chapter in Wilson Sons history, reinforcing our commitment to the best governance practices and value creation for our stakeholders. Now, more than ever, we continue to strive to expand our shareholder base, liquidity and its positive effects on the company's value. In addition, we now also have an expanded and diversified access to the capital markets, for both funding and equity.

It is worth noting that since the restructuring announcement on 21 May, until the debut on Novo Mercado segment, the share price has appreciated by 33% versus a decrease of 11% of the BOVESPA index in the same period. We believe that this is just the beginning of the company's trajectory in the Novo Mercado segment and an evidence of the company's potential.

And we may highlight another very relevant milestone for the company: the revelation of our corporate purpose. At this same event, we revealed our essence to the external public: Together we work to transform outcomes and deliver a better future. This is what drives us daily, fostering the sustainable development of the shipping sector and of our country. Bringing people and stakeholders together, no one can be left behind!

We now move to slide 7.

On this slide we present a summary of our financial results for the last quarter and YTD. Despite the slowdown in this last quarter due to the crisis in the global supply chain, the company's results were robust and resilient, with an emphasis on container terminals and towage.

In Brazilian Real terms, Net Revenues increased 15% to 543 million reais. This increase was mainly driven by a better mix at the terminals with import volumes and storage revenues, while in the Towage division, the growth is a result of the performance of special operations and an increase in the volume of manoeuvres, still positively affected by the global demand for commodities.

EBITDA increased 15% to R\$235 million reais impacted by higher operating volumes and better revenue mix. In US\$ terms, EBITDA rose 18%.

Profit after tax of R\$35 million reais. Lower than the same period in 2020 as a result of the negative effects of exchange variation, which totalled 32 million reais in the period. Excluding exchange rate effects, the Company would have shown a net profit of 66.3 million reais in the quarter.

Year to date, the positive results of the first half in addition to the strong results in the third quarter have driven the EBITDA up by around 22% when compared to the same period in 2020. Expenses increased by 14% when compared to 9M20, basically due to higher operational activity, driving increase in raw material costs, in addition to rent of tugs and increased fuel costs.

Profit also improved significantly, directly impacted by better operating results.

Moving to slide 8.

We highlight here the improvement in the operating financial performance, compared to the third quarter of 2020,

Container terminal revenues increased 9.6% due to an increase in import volumes and transshipment operations in addition to a strong revenue from storage. The rebound of the local economic activity has driven the quarter results but it is worth mentioning that we also feel the negative impacts of logistical bottlenecks in the global supply chain,

generating a lack of availability of empty containers and high levels of call cancellations and call omissions that continue to impact export volumes.

Towage revenues, on the other hand, rose by 17%, with burgeoning revenues from special operations, which had an increase by more than 200%. In addition, we had a 11% increase in the average deadweight, increasing the average revenue per harbour manoeuvre by 11%.

The Offshore Support Vessel Business Unit continues to face a challenging scenario with a slow market recovery. Operating days were down 1.8% when compared to the same period last year. Revenues were negatively impacted by fewer operating days, with a decrease of 3%.

Moving to slide 9.

On this slide we can see some of our liquidity and leverage ratios. The metrics show that all liquidity ratios remain strong as a result of the resilience and strength of our operations.

With a solid operating cash generation in the quarter, the cash was used to: finance capital expenditures of R\$63 million, pay R\$47 million in debt, and a capital increase of R\$26 million in our joint-venture Wilson Sons Ultratug, which we announced last quarter as part of the company's strategy to strengthen the capital structure.

The Company ended the quarter with 208 million reais in cash and cash equivalents. There was also R\$69.5 million in WSL's cash and cash equivalents. Since the merger only took place on October 22, this amount is not considered in the cash and cash equivalents of Wilson Sons S.A. at end of the quarter but WSL has now been merged into the Wilson Sons S.A. in Brazil.

So, moving to capex, we would like to highlight the towage division, with six dry-dockings carried out in the quarter against only three carried out in the third quarter of 2020 and the construction of two RSD2513-type vessels with a reduced fuel consumption due to the design of the hull and IMO Tier III Certificate, with reduced NOx emissions. They will be part of our fleet in 2022, bringing renewal, in addition to increased modernization and potential.

Our leverage ratio remains low, with our net debt to EBITDA ratio at 1.9x.

In terms of Debt Profile, there was no relevant change. At quarter end, 86% of the total bank debt was long term and 72% was linked to FMM ("Merchant Marine Fund").

Turning to slide 10.

Moving to operating data for October and for the year-to-date. In the first ten months of the year, our container terminal and towage divisions were positively impacted by the growth of trade-linked activities, recording strong results.

However, export volumes have been impacted by the shipping industry crisis, causing a lack of availability of empty containers, blank sailings, vessel call cancellations and an increase in the freight rates around the world. In October, container terminal volumes decreased 1.3% as a result of the lack of empty containers and global logistic bottlenecks that continue to be a challenge for export volumes. In cabotage, the current increase in freight rates has impacted volumes, with the temporary transfer of part of the cargo to road.

The outlook remains uncertain regarding the end of the crisis, but we believe that we will still face the consequences of the pandemic on supply chains throughout 2022.

The throughput of Tecon Rio Grande was the most impacted. The export volumes were considerably affected this month with the lack of empties and the vessel call cancellations. In October, 16 vessel calls were cancelled. On the other hand, the import volumes remained resilient following the recovery of the local industry. The operating results for the year are in line with the same period 2020.

At the Salvador terminal, container handling increased 18% in October. All cargo flows increased in October over the past year, with the exception of cabotage. In Salvador, both exports and imports volumes were robust, the imports of the solar energy segment as a highlight. Considering the year-to-date throughput, the terminal presents a remarkable increase of 12% when compared to 2020.

Towage figures remained strong in October. We experienced some impacts of the international global supply-chain crisis with call omissions on container services, which slightly impacted our number of manoeuvres. However the average deadweight of vessels attended rose 3.9% reflecting higher volumes in ports that operate larger ships. In the year, harbour manoeuvres increased 3.5%, still reflecting the robust commodity flow in the first half.

Oil and Gas offshore market still presents a challenging outlook, offshore vessel operating days decreased by 0.5%, in line with the same period in 2020. For the next quarter we have four vessels starting contracts with Petrobras.

The presentation ends here, and I would like to invite you to the Q&A session. Thank you.

Q&A SESSION

Operator

Excuse me ladies and gentlemen, we will now begin the Q&A session.

Lucas Facury - *Larus*

Hi, good morning, everyone. Thank you for taking my questions. First, congratulations on your results. These were very good figures for such a tough quarter, but I have a couple of questions for you. Your revenue has had continuous growth, so I'd just like to know a bit more about that. If you could tell us about any ticket readjustments and here I'm talking about TEUs at the Container Terminals and per harbour manoeuvres in Towage you had great growth. How much of it was due to the mix, are you readjusting prices on ongoing contracts, how much has been readjusted and what should we expect for the next quarters?

And also if you could tell us a bit about your additional revenue especially storage in Container Terminals and also special operations with your Towage? What influenced each of them so that they helped their results? Thank you.

Mr. Fernando Salek – CEO

Thank you, Lucas. This is Fernando and I'll pass your question to Arnaldo.

Mr. Arnaldo Calbucci – COO

Good morning, Lucas. Thank you for your questions. Considering the increases at average tickets both in Towage as well as in Container Terminals, what I can tell you about it is that besides having a better mix, we've also been successful at readjusting and renegotiating some important contracts. All of that has helped to keep our level of continuous growth in Towage harbour manoeuvres prices, prices that are linked to the in US dollars. In container terminals, we have also been successful in readjusting some contracts with ship owners, of course there is a mix, so we have also been impacted by the global crisis. There is a lack of empty containers, blank sailings and call cancellations, but there are some other items such as storage and reefer container monitoring, and all of it helps us in our bottom line. But we have definitely seen some contracts improving with good readjustments and obviously we'll continue to seek readjustments in the contracts, especially now since we have such high inflation rates.

We've had many factors in our Towage segment, one of them is the energy crisis. We have a very imported LNG contract, and the energy crisis has led to a higher number of movements, so more cargo is arriving for the vessels that

are re-gasifying LNG natural gas and we also have operations related to oil and gas with platforms newly ready to start operations and some salvage services. So these are items that should remain for some time, especially in the gas matrix which will likely become more important and will continue to grow in the country.

And the revenues that would not, say, not be connected to the cargo owners. There has been a change in the global consumption matrix, which will likely last for some time. There is a change in how people are consuming services, how they're consuming goods. And I think that even after the end of the pandemic, this will continue to help us out for some time, and we will likely see more container movements. This has all helped us in imports and storage and monitoring refers. So those are the main points concerning your questions.

Lucas Facury - Larus

Great. That was very clear. Thank you. And if you can tell me something about storage, can you say what contributed the most to this growth? Was the factor of dual time or was it the ticket or was it the mix specifically. If you could just give us an idea?

Mr. Arnaldo Calbucci – COO

So Lucas both factors were important. So the ticket with higher added-value goods and also a longer time, longer length of stay. Because when you have shipowners canceling our port calls, you have cargo for longer in your terminals. So this entire crisis will impact revenue.

Lucas Facury - Larus

Great. Thank you, everyone. Very clear.

Peter O'Brien – Greenwood Enterprises.

The next question was asked online, by Peter. Have you considered building your own barges for the Rio Grande inland waterway?

Mr. Fernando Salek – CEO

We did look at it, we have been monitoring those keys frequently. So we have been assessing if it's more relevant to do the construction or maintain our charter contracts. Currently, our existing contracts have been better in returns than our buildings. But this is always dynamic, so we're always taking a look.

Elaine Cavalcanti – Banco Central do Brasil

So we're going to continue with another question from an online viewer. First question is from Elaine Cavalcanti from the Central Bank of Brazil. She's asking this. Do we intend to pay out dividends quarterly or should we purchase stocks?

I'll pass your question to Fabrícia, our CFO.

Mr. Fabrícia Gomes De Souza – CFO

Hi Elaine. Thank you for your question. Now in this new stage of the company with our new listing, we've looked at a number of actions that we can start having, and one of them is the possibility of changing how frequently we pay out dividends. Maybe with semester payouts from next year on. Considering repurchasing stock, that is something that we're looking at because we want to have some of them in our treasury to meet our options plan. So that's another initiative that we're looking at.

Elaine Cavalcanti – Banco Central do Brasil

Great. We're going to continue. We have another question about -- well let me read it to you. This is a question from Elaine.

Regarding growth, do you intend to participate in concessions for bulk and fuel port terminals, expanding in this sector? And with regard to cabotage, in addition to the 6 tugboats under construction, do you intend to expand to other countries?

Mr. Fernando Salek – CEO

Well, let me answer that question. It's important that you understand our philosophy when it comes to investments. Besides our own discipline in investing and what we understand to be a good return benchmark and we're very rigorous in the valuations we make. What we try to do is to align our skills and look at areas where we have the skills to be competitive and executing investments. The areas mentioned here in this question, from our point of view, are the areas in which we have those skills. So we always have to look at opportunities and map them, assessing them under the light of our discipline in how we allocate capital. We have to always see if these opportunities make sense.

Jorge Araujo

The next question was asked by Jorge and he is asking if there is a study to unfold the actions?

Mr. Fernando Salek – CEO

I'll pass your question to Fabrícia.

Mr. Fabrícia Gomes De Souza – CFO

Jorge, to answer your question, if we're looking at this possibility, well, the answer is yes. We do understand that we need to diversify and expand our shareholders base mainly among retail investors and make sense of the stock split because in addition to being a very well-known mechanism we understand are tools that we believe are very appropriate for increasing our shareholders base. So we have been looking at it and as soon as we have a defined proposal it will be made known to you and we'll take that proposal to the company's Board.

Lucas Facury - *Larus*

Hi, everyone. Just as a follow-up to my first question. If you could tell us a bit about your capex YTD it seems to be very low historically, I know that a part of it is due to IFRS, the US dollar, maybe your run rate for this year is closer to US\$55M. But what are you seeing, heaviest 4th quarter in capex? And if you can tell us about your towage concession curve? And if you can tell us about your second dredging in the berth in Salvador I believe this is something that will consume more capex in the future in terms of Container Terminals. if has that concluded, I remember that there was it postponed, how's that going? Thank you.

Mr. Fernando Salek – CEO

Lucas. I'm going to ask Arnaldo to tell you about that.

Mr. Arnaldo Calbucci – COO

Lucas. So starting with your last question about dredging at Salvador. It has been a bit delayed, it's beginning this month in November and it should be concluded by January. So that's going to increase our CapEx in the last months

of the year and a little bit of next year. Considering building tugboats, we've decided to accelerate some of that tugboats construction or number three, number four, since we have had a lot of demand in the market, especially in local operations. So we should see that accelerating in November or December. But this will be more significant next year. That's what I can tell you about what you asked. I'm not sure if that answers your question or if you'd like to know anything else.

Lucas Facury - Larus

No, that does answer my question. So I guess we should expect a heavier fourth quarter in capex, if you can confirm that? And considering Towage CapEx, you had given us an initial guidance that was around USD8 million or USD9 million in CapEx for Towage. And from then on we had a lot of pressure on the raw material chain missing parts, electronic components. So how have you managed to accelerate that and if there is any likelihood of having this CapEx reviewed in the construction of these tugboats considering the cost in raw material costs?

Mr. Arnaldo Calbucci – COO

Well, we signed deals or contracts with our suppliers in the beginning of the project. There are fixed contracts, so of course, there are small readjustments in US dollars for the suppliers in Brazil for engine suppliers and other equipment but we should not see a major impact in equipment and motors. Considering the steel, we got ahead of it and we purchased steel enough for four tugboats to make sure that we would get the right prices, steel prices skyrocketed and then dropped again. So we have a good level of certainty on the cost. This entire crisis related to logistics has affected how engines were received for some of the equipment. So that might lead to delays of one or two months so that's why we accelerated the third and the fourth, requesting the equipment to be shipped as soon as possible.

Mr. Fernando Salek – CEO

Lucas. Let me just add something for you to Arnaldo's answer here. I just want to make a brief comment. Regardless of our supply strategy to lock prices and so on, the reference values you used seem quite low because we're talking about 80 ton tugboats which are more expensive and we decided to have tugboats with a better specification especially in terms of design and how modern they are when it comes to emissions. So I just want to warn you that your reference values are a bit lower than what we'd normally foresee.

Lucas Facury - Larus

Great, thank you. I was just speaking according to my memory but I just checked and yes it was USD55 million, right, so it would be closer to eight of the nine, so that's what I have here. That was very clear and it's good to know that you're protected in your CapEx. This increase in raw material prices really took a lot of people by surprise.

Pedro Fonseca – Edison Investment Research

We'll continue from questions we received in writing. We have a question here from Pedro Fonseca. And their question is, when do you believe that the Brazilian pre-salt layer and the offshore business will be positively impacted by high oil and natural gas prices?

Fernanda Recchia – BTG

Well, I'll combine this answer with a question from Fernanda Recchia from BTG who is asking us to talk about our perspectives for the OSD segment and when we expect it to recover?

Mr. Fernando Salek – CEO

We've started seeing some signs of recovery in this industry. We saw some competitive segments that posted more competitive prices in longer terms for the to hire, which is a good sign. For some segments, we expect that by 2022, some specific industries will have a market healthier balance and what we understand is that the biggest part of the recovery will take place in 2023.

Fernanda Recchia – BTG

To continue, we have Fernanda Recchia from BTG asking another question. She asked us to talk about the Towage dynamics and how competition is going?

Mr. Fernando Salek – CEO

I'll ask Arnaldo to talk about it.

Mr. Arnaldo Calbucci – COO

Good morning, Fernanda. So the Towage market is very competitive, you have several important operators in Brazil and we are the market leaders, we have coverage across all Brazilian terminals and ports. So we have a competitive advantage when we talk about how we have a national presence. All companies have important investments in fixed assets and their vessels. So what we know is that they are very aware of the responsibility there is in pricing and that has led to a degree of stability in price. The market is quite competitive but there is a price -- well, there isn't a price war right now, which is something that did happen in some places around the world. So we have some advantages: we have a greater fleet, we can carry out some special operations, we have more flexibility and this allows us to be more competitive in a market that's very well competitive, same word here.

Operator

This concludes the Q&A session. I would like to invite Mr. Fernando Salek to proceed with his closing remarks. Please go ahead, sir.

Mr. Fernando Salek – CEO

I would like to thank the Wilson Sons team for this extraordinary result in the quarter. I would like to thank the entire Wilson Sons team for the historic changes achieved in the context of the restructuring and new listing, and the results so far in 2021. I am extremely happy and proud of the path we are following and our future perspectives.

I would like to reaffirm our commitment to the safety and well-being of all our employees. Despite vaccine rollout and the loosening of COVID-19 restrictions, we closely oversee the evolution of the pandemic in the country to guarantee the well-being of our employees and their families.

I would like to thank everyone for participating in our conference call. I hope you are all well and safe.

Thank you and have a good day.

Operator

This concludes Wilson Sons' Conference Call for today. Thank you very much for your participation and have a good day.