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If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank, or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your Ordinary Shares you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute or form part of any offer or invitation to acquire, subscribe for, dispose of or issue any security, nor does it constitute or form part of any solicitation of any offer to purchase, subscribe for, dispose of or issue any security including any Convertible Loan Notes to be issued in connection with the proposed Acquisition. The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal, financial or tax adviser for legal, financial or tax advice.

BRAEMAR



Braemar Shipping Services plc

(incorporated and registered in England and Wales with registered number 02286034)

Proposed acquisition of NAVES Corporate Finance GmbH

and

Circular to Shareholders and Notice of General Meeting

This is not a prospectus but a shareholder circular. The distribution of this document and/or any accompanying documents within or into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, neither this document nor any accompanying documents should be distributed, forwarded to or transmitted in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

Please read the whole of this document. Your attention is drawn in particular to the letter from the Chairman of Braemar which is set out in Part 4 of this document, which contains the unanimous recommendation of the Directors that you vote in favour of the Acquisition and the Resolutions to be proposed at the General Meeting. Please see also Part 5 (Risk Factors) of this document for a discussion of certain factors that should be considered by Shareholders when considering the matters referred to in this document and what action to take in connection with the General Meeting.

Notice of the General Meeting, which is to be held at 10.00 a.m. on 26 September 2017 at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF is set out at the end of this document. A Form of Proxy for use in relation to the General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it as to be received by Braemar's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF or at the electronic address provided on the Form of Proxy which is

www.signalshares.com, in each case no later than 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day). Completion and return of a Form of Proxy will not preclude the Shareholders from attending and voting in person at the General Meeting, should they so wish.

Stockdale Securities Limited (“Stockdale”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as sponsor to Braemar and for no-one else in connection with the Acquisition and will not be responsible to any person other than Braemar for providing the protections afforded to clients of Stockdale, nor for providing advice in relation to the Acquisition, the content of this document or any matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Stockdale by the FSMA or the regulatory regime established thereunder, neither Stockdale nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Stockdale in connection with this document, any statement contained herein or otherwise, nor makes any representation or warranty, express or implied, in relation to, the contents of this document, including its accuracy, completeness or verification or for any other statement purported to be made by Stockdale, or on behalf of Stockdale, in connection with Braemar or the Acquisition. Stockdale accordingly disclaims to the fullest extent permitted by law all and any responsibility or liability to any person who is not a client of Stockdale, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement.

PricewaterhouseCoopers LLP (“PwC”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Braemar in relation to the Acquisition and for no-one else in connection with the Acquisition or the matters referred to in this document and will not be responsible to any person other than Braemar for providing the protections afforded to clients of PwC, nor for providing advice in relation to the Acquisition nor to the matters referred to herein. Neither PwC nor any of its members owes, accepts or assumes any duty of care, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PwC in connection with the matters referred to in this document, or otherwise.

This document is dated 7 September 2017.

TABLE OF CONTENTS

	<i>Page</i>
PART 1: IMPORTANT INFORMATION	4
PART 2: EXPECTED TIMETABLE OF PRINCIPAL EVENTS	6
PART 3: DIRECTORS, COMPANY SECRETARY AND ADVISERS	7
PART 4: LETTER FROM THE CHAIRMAN	8
PART 5: RISK FACTORS	15
PART 6: INFORMATION ON NAVES	21
PART 7: HISTORICAL FINANCIAL INFORMATION ON NAVES	24
PART 8: UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE ENLARGED GROUP	41
PART 9: TERMS AND CONDITIONS OF THE ACQUISITION	47
PART 10: ADDITIONAL INFORMATION	51
PART 11: DEFINITIONS	57
PART 12: NOTICE OF GENERAL MEETING	61

PART 1

IMPORTANT INFORMATION

1. TO VOTE ON THE RESOLUTIONS

Whether or not you plan to attend the General Meeting in person, please either:

1. complete a Form of Proxy in accordance with the instructions printed on it and return it to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF so as to be received by no later than 10.00 a.m., on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day);
2. return the Form of Proxy electronically by visiting www.signalshares.com (note that you will be asked to enter the Investor Code shown on your Form of Proxy and agree to certain terms and conditions) so as to be received by no later than 10.00 a.m., on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day); or
3. if you hold Ordinary Shares in CREST and wish to appoint a proxy utilising the CREST electronic proxy appointment service, complete and transmit a CREST Proxy Instruction in accordance with the procedures described in the CREST Manual, so that it is received by Braemar's agent (ID RA10) by no later than 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day).

The completion and return of the completed Form of Proxy, electronic submission of your proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the General Meeting and voting in person (in substitution for your proxy vote) if you so wish and are so entitled.

A summary of the action to be taken by the Shareholders is set out in Part 4 (Letter from the Chairman) and Part 12 (Notice of General Meeting) of this document.

2. DEFINITIONS

Capitalised terms have the meanings ascribed to them in Part 11 (Definitions) of this document.

3. NO INCORPORATION OF WEBSITE

Save where expressly stated in this document, the content of Braemar's website www.braemar.com does not form part of this document.

4. GENERAL NOTICE

No person is authorised in connection with the Acquisition to give any information or to make any representation other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by Braemar or Stockdale. None of the above take any responsibility or liability for, and can provide no assurance as to the reliability of, other information that you may be given. Subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of Braemar or NAVES since the date of this document or that the information in this document is correct as at any time after its date.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

Distribution of this document by any recipient may be restricted or prohibited by law. Recipients are required to inform themselves of, and comply with, all such restrictions or prohibitions.

5. OVERSEAS SHAREHOLDERS

Persons not resident in the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared for the purposes of complying with English law, the Prospectus Rules and the Listing Rules. The information disclosed in this document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.

6. UNITED STATES SECURITIES CONSIDERATIONS

This document is not an offer of securities for sale in the United States and there will be no public offer of securities in the United States. The securities discussed herein have not been and will not be registered under the US Securities Act or under the securities law of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and otherwise in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Neither the Ordinary Shares nor the Convertible Loan Notes have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any US regulatory authority, nor have such authorities reviewed or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

7. ROUNDING

Some numbers in this document have been rounded and accordingly the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

8. INFORMATION SOURCED FROM THIRD PARTIES

Where information has been sourced from a third party, Braemar confirms that the information has been accurately reproduced and, so far as Braemar is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PART 2

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Acquisition are indicative only and are based on Braemar's current expectations and may be subject to change (including as a result of the regulatory timetable and/or the process for completing the Acquisition). If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service provider. All references to time in this document are to London time.

<i>Event</i>	<i>Time and/or Date</i>
Announcement of the proposed Acquisition and posting of this document to the Shareholders	7 September 2017
Latest time and date for receipt of Form of Proxy	10.00 a.m. on 22 September 2017
General Meeting	10.00 a.m. on 26 September 2017
Completion of the Acquisition	On or around 26 September 2017

PART 3

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors

David Moorhouse CBE (*Non-executive Chairman*)
James Kidwell (*Chief Executive*)
Louise Evans (*Group Finance Director*)
Alastair Farley (*Non-executive Director*)
Jürgen Breuer (*Non-executive Director*)
Mark Tracey (*Non-executive Director*)
Lesley Watkins (*Non-executive Director*)

Company Secretary

Peter Mason

Registered office of Braemar and business address of each of the Directors

Braemar Shipping Services plc
One Strand
Trafalgar Square
London WC2N 5HR

Sponsor

Stockdale Securities Limited
Beaufort House
15 St Botolph Street
London EC3A 7BB

Financial advisers to Braemar

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Legal advisers to Braemar

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London EC4N 6AF

Auditors and reporting accountants to Braemar

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Tax advisors to Braemar

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Registrars

Capita Asset Services
34 Beckenham Road
Beckenham
Kent BR3 4TU

Public relations adviser to Braemar

Buchanan Communications Ltd
107 Cheapside
London EC2V 6DN

Bankers

HSBC
8 Canada Square
Canary Wharf
London E14 5GL

PART 4

LETTER FROM THE CHAIRMAN

BRAEMAR

Braemar Shipping Services plc

(Incorporated and registered in England and Wales with registered number 02286034)

Directors:

David Moorhouse CBE *(Non-executive Chairman)*
James Kidwell *(Chief Executive)*
Louise Evans *(Group Finance Director)*
Alastair Farley *(Non-executive Director)*
Jürgen Breuer *(Non-executive Director)*
Mark Tracey *(Non-executive Director)*
Lesley Watkins *(Non-executive Director)*

Registered and Head Office:

One Strand
Trafalgar Square
London
WC2N 5HR

7 September 2017

Dear Shareholder,

PROPOSED ACQUISITION OF NAVES CORPORATE FINANCE GMBH

1. INTRODUCTION

Braemar announced earlier today the conditional acquisition of the entire issued share capital of NAVES, a corporate finance advisory business focused on the maritime industry for a minimum consideration of €24.00 million (subject to a customary adjustment based on target working capital) rising to a maximum of €35.00 million should earn-out payment terms and conditions be satisfied.

Owing to its size, the Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules and therefore requires the approval of Shareholders. The notice convening the General Meeting is set out in Part 12 of this document and an explanation of the Resolutions to be proposed at the meeting is set out in paragraph 8 below.

I am writing to give you further details of the Acquisition, including the background to and reasons for it, and to explain why the Board considers it to be in the best interests of Braemar and Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions.

2. INFORMATION ON NAVES

NAVES is a private limited liability company incorporated in Germany and headquartered in Hamburg.

NAVES provides corporate finance advice to global shipping clients. Its services include: restructuring advisory; corporate finance advisory; mergers and acquisitions; asset brokerage; interim/pre-insolvency management and financial asset management, including loan servicing.

NAVES was founded in early 2009 to target a perceived market opportunity created by the increased levels of distress in the global ship financing market resulting from the financial crisis and a decline in ship values and charter rates. NAVES was established to advise German and international maritime clients in a changing capital market environment on financing, restructuring and sale and purchase transactions. NAVES is engaged in the niche market of restructuring shipping debt from KG (kommanditgesellschaften) financings in the German commercial banking sector, which continues to contribute to its growing financial services business. Further information on KG financings is included in Part 6 of this document.

NAVES has assisted clients with restructuring their balance sheets and has advised on the restructuring of over US\$6.5 billion of capital and charter hire and on over US\$1.5 billion of related transactions, including both corporate and sale and purchase transactions and has serviced over US\$0.5 billion of vessels and loans on behalf of its clients.

NAVES' clients are predominantly German and include shipping companies, shipping funds, lenders, issuing houses and charterers, as well as governmental entities.

NAVES is a high margin business based on an established team and cost base. Revenue, underlying operating profit and profit after tax for the year ending 31 December 2016 were €7.46 million, €3.00 million and €2.13 million, respectively. Gross assets as at 31 December 2016 were €3.13 million.

The business is led by managing partners Mark Kuchenbecker and Axel Siepmann, who have over 40 years of combined professional experience in corporate finance and the maritime industry, and has a staff of 20 people in total, including five divisional heads. The team includes former ship-brokers, bankers, former employees of ship-owning and managing companies, lawyers, mariners and fleet managers. Further details of the staff are set out in Part 6 of this document.

Following completion, Braemar will establish a new division to be known as the Financial Division within which Mark Kuchenbecker and Axel Siepmann will take leadership roles.

3. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Braemar is a leading international provider of knowledge and skills-based services to the shipping, marine, energy, offshore and insurance industries. Braemar has a long-term strategy to develop a diversified portfolio of complementary businesses servicing its diverse markets through organic and acquisitive growth. This strategy is designed to generate long-term shareholder value by growing business scale and resilience in the cyclical nature of the Braemar Group's markets.

Braemar believes that the Acquisition offers a number of benefits to the Braemar Group, including:

- Entrance to the valuable maritime financial advisory market through an established team. Braemar's view is that there is a strategic advantage in broadening its offering to provide maritime financial advisory services, and the Board sees the Acquisition as a good first step into this market. Braemar believes that the NAVES management team will continue to build on its successful track record to take advantage of the opportunities in the maritime debt markets created by the continuing levels of restructuring and wind-down activities by the German and international banks on the one side, and increasing difficulties of shipping companies to source capital for acquisitions and new-buildings on the other. As at the end of 2016, there were 2,660 vessels under German ownership or management, a proportion of which are believed to require refinancing over the next five years.
- Continued growth opportunities from the strong fundamental market drivers of the NAVES niche business, which include continuing high global levels of distressed maritime debt, particularly held by German banks (as at the end of 2016, the top six German shipping banks had shipping loan portfolios of US\$78.80 billion a proportion of which is believed to be distressed); banking and capital allocation regulations necessitating the restructuring, re-allocation or sale of loan portfolios; major shipping lenders leaving the market making it more difficult for even established international shipping companies to source capital; and ongoing structural and over-capacity challenges that could result in a variety of different transactions.
- Complementary services and skills that broaden and enhance the Braemar Group's offering to clients, both to meet the evolving needs of its existing clients and to strengthen its ability to win new business. Braemar believes that there will be a number of cross-selling and "one-stop" marketing opportunities, particularly by offering financial institutions restructuring services combined with the ability to handle the sale of the vessel and opportunities for long term chartering.
- Increased geographic expansion opportunities strengthening Braemar's presence as a global business firm, both through an increased physical presence in Germany via an established local German brand

with greater access to Germany and its related markets, but also through the ability to utilise Braemar's existing presence and connections to increase the global dimensions of NAVES' business. Braemar believes that NAVES' financial restructuring skills can be redeployed within other geographies and with new clients, especially private equity firms, where a significant proportion of distressed bank debt has been purchased.

- Providing additional diversification in the Braemar Group's sources of earnings from a business that the Board expects to be less correlated to activity levels in the oil and gas industry, and more resilient in any future downturn in the shipping industry, than other parts of the Braemar Group.
- Collaboration between NAVES and the Braemar Group's operating divisions, particularly with the Braemar Group's shipbroking division, gives the Enlarged Group the opportunity to increase client services and corresponding revenue.
- The Board believes that the Acquisition will be earnings enhancing for Braemar during the current financial year ending February 2018 and in the first full financial year following Completion being the year ending February 2019 and the acquisition terms have been structured to incentivise long term profit growth in NAVES.¹

4. SUMMARY OF THE TERMS OF THE ACQUISITION

4.1 Acquisition Agreement

Under the terms of the Acquisition Agreement, the Sellers have conditionally agreed to sell, and Braemar AcquisitionCo, an indirectly wholly-owned subsidiary of Braemar, has conditionally agreed to acquire, the entire issued share capital of NAVES.

The Sellers have each provided Braemar AcquisitionCo with customary warranties, on a several basis, as to their title to, and capacity to sell, the shares in the capital of NAVES. In addition, each of the Sellers has provided Braemar AcquisitionCo with customary business warranties, on a joint and several basis. The warranties are subject to financial and other limitations customary for a transaction of this nature. On Completion, the Sellers will also be required to deliver a tax deed, which is intended to indemnify the Enlarged Group against any pre-Completion tax liabilities of the NAVES Group, subject to exclusions and limitations, as well as addressing the conduct of tax matters.

A consultancy agreement with a term of up to five years will be entered at Completion in respect of the services of both Managing Individuals.

For more information on the terms of the Acquisition Agreement (and related terms), please refer to Part 9 on page 47 of this document.

4.2 Consideration payable to the Sellers

The Acquisition Agreement provides for a minimum consideration of €24.00 million (subject to a customary adjustment based on target working capital) and a maximum consideration of €35.00 million.

The initial consideration payable at Completion is:

- €14.80 million (subject to a customary adjustment based on target working capital), 50 per cent. of which will be payable in cash, and 50 per cent. satisfied by the issue of Convertible Loan Notes; and
- €1.50 million, to be satisfied by the issue of 458,166 Ordinary Shares to Non-management Sellers only (representing a price of 300.2 pence per Ordinary Share (being the Reference Price)).

¹ Earnings for these purposes are underlying basic earnings per Ordinary Share excluding specific items, which include acquisition related items, gains and losses on sale of investments and other one off items. This statement is not intended as a profit forecast and should not be interpreted to mean that underlying basic earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published underlying basic earnings per Ordinary Share.

Three annual instalments of €1.40 million will be payable as First Deferred Consideration to the Sellers, payable 50 per cent. in cash and 50 per cent. satisfied by the issue of Convertible Loan Notes. Interest at a rate of three per cent. per annum will accrue on each of these tranches of the First Deferred Consideration from the date of Completion until the date of payment of the relevant tranche.

Five annual instalments of €0.70 million will be payable to Management Sellers only as Second Deferred Consideration to be satisfied by the issue of Convertible Loan Notes.

An additional aggregate amount of up to €11.00 million (being the balance of the Consideration) may be payable over the three years following Completion in accordance with the Earn-out Consideration terms and conditions in the Acquisition Agreement which provide as follows:

- payable to the Management Sellers only and satisfied wholly by the issue of Convertible Loan Notes;
- payable annually in tranches of €3.667 million (in each case within 30 days of the determination of NAVES' EBIT for the relevant period); and
- requires NAVES to deliver EBIT in excess of €2.00 million in each period to trigger payment with the maximum consideration payable in each year if EBIT of €4.375 million is delivered (subject, in each case, to certain agreed adjustments).

Leaver provisions provide that if either of the Managing Individuals resigns or is dismissed for cause, then each Management Seller shall have its entitlements to receive further payments of the Deferred Consideration and Earn-out Consideration reduced by an amount equal to the relevant Managing Individual's percentage ownership interest in each relevant Management Seller.

The Non-management Sellers have agreed not to dispose of the Consideration Shares without the prior written consent of Braemar for a period of one year from the date of Completion.

4.3 **Convertible Loan Notes**

The Convertible Loan Notes will be issued credited as fully paid, in amounts and integral multiples of €1.00 nominal value. The Convertible Loan Notes will bear interest from the date of issue to the relevant holders of the Convertible Loan Notes payable six months in arrears at a rate of three per cent. per annum. Interest will be payable (less any tax required by law to be deducted) in arrears with the first payment being due on the date falling six months after the date of issue of the Convertible Loan Notes, and each subsequent instalment being due on the date falling six months after the preceding instalment.

Holders of the Convertible Loan Notes and Braemar each have the right (subject to certain restrictions) any time after the second anniversary of the date of issue on three months' notice to call for the redemption of the Convertible Loan Notes for cash at par.

Holders of the Convertible Loan Notes have the right (subject to certain restrictions) to convert the Convertible Loan Notes into Ordinary Shares at any time after the date of issue at the following conversion price: (a) if the noteholder is a Management Seller, 390.3 pence per Ordinary Share (representing a 30 per cent. premium to the Reference Price); or (b) if the noteholder is a Non-management Seller, 450.3 pence per Ordinary Share (representing a 50 per cent. premium to the Reference Price). If Braemar suffers customary events of default then the conversion price is reduced to the following conversion price: (a) if the noteholder is a Management Seller, 360.2 pence per Ordinary Share (representing a 20 per cent. premium to the Reference Price); or (b) if the noteholder is a Non-management Seller, 420.3 pence per Ordinary Share (representing a 40 per cent. premium to the Reference Price).

The Convertible Loan Notes will be constituted pursuant to two Loan Note Instruments (one constituting Convertible Loan Notes to be issued to Management Sellers only and the other constituting Convertible Loan Notes to be issued to Non-management Sellers only) which are made on identical terms save for the conversion price as noted above.

The Convertible Loan Notes will be non-transferrable, other than with Braemar's written consent. No application will be made for the Convertible Loan Notes to be issued or dealt in on any stock exchange.

5. CURRENT TRADING AND PROSPECTS

On 22 June 2017 Braemar issued the following trading update:

Trading profit for Braemar for the first quarter of the current year to February 2018, has improved, albeit against a disappointing comparative period for the last year. While revenues were lower, as expected, profitability improved as the benefit of the cost savings measures taken last year were realised.

Shipbroking

Trading for the first quarter in the Shipbroking division has been good and results show a significant improvement on the prior year's equivalent performance. The tanker desk, the largest sector of Braemar's Shipbroking business, has achieved improved trading volumes despite lower freight rates. Sale and purchase and projects desks have started the year strongly and, most pleasingly, have concluded some significant newbuilding and long term project business which will benefit future years. The dry cargo desk has shown a marked improvement in performance reflecting its recovering market. The Offshore desk is ahead of the prior year with some increase in activity although the offshore market remains low due to asset over-capacity.

Technical

The first quarter's performance of the Technical Services division shows a modest improvement against prior year. Solid revenue in the incident led businesses (including Loss Adjusting, Marine and Response) have offset a lower performance in Offshore and Engineering which are mainly influenced by energy related projects. However, the effect on profitability of lower project income is much reduced by the cost savings measures taken last year. Over the last few months there have been stronger signs of project related activity as evidenced by the volume of new tenders in the market. Conversion of these opportunities into income will take time, but the overall market picture is more encouraging than it was twelve months ago.

Logistics

Revenue in the Logistics division is in line with prior year equivalent although there has been some margin degradation due to the business mix.

Outlook

Whilst the improved performance at this early stage of the financial year is encouraging, our end markets remain challenging. Accordingly, the Board's expectation for the year as a whole remains unchanged. Braemar is well financed with a strong balance sheet and continues to actively seek opportunities to invest in complementary activities which will augment its service offering and deliver long term growth.

6. FINANCIAL EFFECTS OF THE ACQUISITION

A pro forma statement of the net assets and income statement of the Braemar Group and illustrations of the effect of the Acquisition on the Braemar Group as if it had taken place on 28 February 2017 in the case of net assets and as if it had taken place on 1 March 2016 in the case of the income statement, is set out in Part 8 (Unaudited pro forma financial information for the Enlarged Group) of this document.

7. FINANCING THE ACQUISITION

The cash consideration payable by Braemar AcquisitionCo to the Sellers under the Acquisition Agreement will be financed with funds that will be drawn down from the Credit Agreement and the Braemar Group's own resources and cash flow. Further details of the financing arrangements are set out in Part 10 (Additional Information) of this document.

8. GENERAL MEETING

You will find set out at Part 12 of this document a Notice of General Meeting convening the General Meeting to be held on 26 September 2017 at 10.00 a.m. at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF. The full text of the Notice of General Meeting is set out in Part 12 of this document.

Resolution 1 will be proposed as an ordinary resolution requiring a simple majority of votes in favour. The Acquisition will not proceed if this Resolution is not passed. This Resolution proposes that the Acquisition be approved and that the Directors be authorised to implement the Acquisition.

Resolution 2 will be proposed as an ordinary resolution requiring a simple majority of votes in favour. This Resolution grants the Directors a general authority pursuant to section 551 of the Companies Act to (i) allot Ordinary Shares and to grant rights to convert securities to Ordinary Shares up to an aggregate nominal amount of £1,005,691; and (ii) to allot Ordinary Shares and to grant rights to convert securities into Ordinary Shares up to an additional aggregate nominal amount of £2,011,383 for use in connection with a rights issue.

The Acquisition is only conditional on the passing of Resolution 1. Resolution 2 is not required to effect the Acquisition as the Directors have sufficient existing authority to issue the Consideration Shares and the Convertible Loan Notes in connection with the Acquisition. However, the Directors believe it is appropriate to replenish the Directors' authority to issue Ordinary Shares and to grant rights to convert securities into Ordinary Shares to the amount that was approved at the annual general meeting held on 22 June 2017.

The Directors have no present intention to make use of the authority granted by Resolution 2 but believe its approval will ensure that Braemar has maximum flexibility in managing the Braemar Group's resources.

Braemar is calling the General Meeting on less than 21 days' notice as permitted by the enabling resolution passed at the Company's annual general meeting held on 22 June 2017. The Board considers doing so to be merited by the business of the meeting and considers proceeding to completion of the Acquisition as soon as possible to be to the advantage of Shareholders as a whole.

9. ACTION TO BE TAKEN

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting in person, it is important that you complete and return the Form of Proxy in accordance with the instructions printed on it to Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, so as to arrive no later than 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day). Completion and return of the Form of Proxy will not preclude you from attending the General Meeting in person, if you so wish and are entitled.

You may also submit your proxies electronically using the investor code found on the Form of Proxy. If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to ID RA 10 so that it is received by no later than 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day).

Completion and return of the Form of Proxy will not preclude you from attending the General Meeting in person, if you so wish and are entitled.

10. OVERSEAS SHAREHOLDERS

This document has been sent to all Shareholders on the register of members of Braemar on 5 September 2017. This document does not constitute an offer to sell or the solicitation of an offer to purchase securities in the United States of America or any other jurisdiction in which it may be unlawful to do so.

11. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts 6 (Information on NAVES), 9 (Terms and conditions of the Acquisition) and 10 (Additional information) of this document. Shareholders are advised

to read the whole of this document and not rely only on the summary information presented in this letter (including, but not limited to, the summarised financial information). In particular, Shareholders should read the risk factors set out in the section headed “Risk Factors” on pages 15 to 20 of this document.

12. RECOMMENDATION

The Board, which has received financial advice from Stockdale, considers the Acquisition and the Resolutions to be in the best interests of Braemar and the Shareholders as a whole. In providing advice to the Board, Stockdale has relied upon the Board’s commercial assessment of the Acquisition.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings of 336,528 Ordinary Shares in aggregate, representing approximately 0.99 per cent. of the issued ordinary share capital of Braemar.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'D. Moorhouse', with a large circular flourish at the start and a long horizontal stroke extending to the right.

David Moorhouse CBE
Chairman
Braemar Shipping Services plc

PART 5

RISK FACTORS

Shareholders should consider the following risks and uncertainties together with all the other information set out in this document prior to making any decision as to whether or not to vote in favour of the Resolutions. The risks described below are based on information known at the date of this document, but may not be the only risks to which NAVES and/or the Enlarged Group are or might be exposed. Additional risks and uncertainties, which are currently unknown to Braemar or that Braemar does not currently consider to be material, may materially affect the business of NAVES and/or the Enlarged Group and could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Enlarged Group.

If any of the following risks were to occur, the business, financial condition, results of operations and/or prospects of NAVES and/or the Enlarged Group could be materially adversely affected and the value of the Ordinary Shares could decline and shareholders could lose all or part of the value of their investment in the Ordinary Shares.

Shareholders should read this document as a whole and not rely solely on the information set out in this section.

1. RISKS RELATING TO THE ACQUISITION

Prior to Completion, NAVES, and following Completion, the Enlarged Group, may fail to retain key personnel and other employees

The future success of NAVES and the Enlarged Group depends substantially on their ability to continue to retain and motivate highly skilled and qualified personnel, including the Managing Individuals. There can be no assurance as to the continued service of any individuals as directors and key employees, and the departure of any of these individuals from the Enlarged Group (whether to go to a competitor, to start their own business, to retire or for other reasons), without adequate replacement, may have a material adverse effect on the group's business, financial condition and results of operations and prospects. In addition, the future success of NAVES and the Enlarged Group may be adversely affected by staff attrition rates more generally, and their ability to attract and retain employees across all levels. The Acquisition has been partly structured to incentivise and retain key personnel, for more information on which please refer to Part 9 on page 47 of this document. However, the Enlarged Group will need to continue to monitor remuneration policies and incentivisation and succession planning measures and the failure of any of these could have a material adverse effect on the respective businesses, financial condition, results of operations and prospects of NAVES and the Enlarged Group.

Braemar may sustain losses in excess of the limitations on the Sellers' liability under the Acquisition Agreement and/or the Sellers may not be in a financial position to satisfy any claims

Braemar has conducted customary due diligence on NAVES in preparation for the Acquisition. However, it is possible that unidentified liabilities may arise in the Enlarged Group as a result of the Acquisition, or identified liabilities may be larger than expected. Under the terms of the Acquisition Agreement, the Sellers have given certain representations, warranties, indemnities and covenants in favour of Braemar. The liabilities of the Sellers under the Acquisition Agreement are subject to limitations, and are in any event limited in amount, and the Sellers may not be in a financial position to satisfy any claims. The Sellers' liability for relevant claims is capped at an amount equal to the total consideration paid by Braemar. The Sellers' liability is also limited in time and claims must be brought within the applicable time periods. Consequently, Braemar may therefore sustain losses in excess of any amount that they are able to recover, which could have an adverse effect on the Enlarged Group's business, financial condition, results of operations or prospects.

Part 9 of this document includes a summary of the principal terms and conditions relating to the Acquisition.

The Acquisition is conditional on the passing of Resolution 1 contained in the Notice of General Meeting

Resolution 1, proposing that the Acquisition be approved and that the Directors be authorised to implement the Acquisition, will be proposed as an ordinary resolution requiring a simple majority of votes in favour. The Acquisition is conditional on this Resolution being passed.

There is no guarantee that this condition will be satisfied. Failure to satisfy this condition will result in the Acquisition not being completed. Certain transaction costs incurred by the Braemar Group in connection with the Acquisition will be irrecoverable if the Acquisition does not proceed.

If the Acquisition completes, the integration of NAVES with the Braemar Group could result in operating difficulties and other adverse consequences

If the Acquisition completes, the process of integrating NAVES may create unforeseen operating difficulties and expenditures and pose management, administrative and financial challenges. Specifically, integrating operations and personnel may prove more difficult and/or expensive than anticipated. Both the Braemar Group and NAVES rely on their respective computer, accounting, communications and other technological systems (“IT”) to conduct their respective businesses and the Enlarged Group will rely on its IT systems to conduct its business. The integration of NAVES may require significant time and effort on the part of NAVES and the Enlarged Group’s management. Any challenges faced in integrating NAVES may also be exacerbated by differences between Braemar’s and NAVES’ operational and business culture, IT and or related third-party infrastructure, any future acquisitions, the need to implement cost cutting measures and difficulties in maintaining internal controls. Such difficulties in successfully integrating NAVES could have an adverse effect on the Enlarged Group’s business, financial condition, results of operations or prospects.

The Enlarged Group may fail to realise the business growth opportunities, revenue benefits, cost savings, operational efficiencies and other benefits anticipated from the Acquisition

The integration of the Braemar Group and NAVES will require an investment of time and money and present a number of challenges. As described in paragraph 3 of Part 4 of this document, the Board believes that there are a number of benefits arising from the Acquisition, including business growth opportunities and revenue benefits. However, these benefits may not develop, for various reasons, including because the assumptions upon which the Board has determined the process of integration may prove to be incorrect.

Under these circumstances, the benefits that the Board anticipates will result from the Acquisition may not be achieved as expected, or at all, or may be delayed, or may involve additional costs. To the extent that the Enlarged Group incurs higher integration costs or achieves lower revenue benefits than expected, the Enlarged Group’s businesses, financial condition, results of operations and prospects may suffer.

Convertible Loan Notes

A proportion of the consideration payable to the Sellers under the terms of the Acquisition Agreement is to be satisfied by the issue of Convertible Loan Notes. The holders of the Convertible Loan Notes have the right (subject to certain restrictions) to convert the Convertible Loan Notes into Ordinary Shares. The issue of these Ordinary Shares pursuant to the terms of the Convertible Loan Notes will be dilutive to Shareholders. Braemar is unable to predict whether the issuing of such Ordinary Shares pursuant to the Convertible Loan Notes could materially affect the market price of the Ordinary Shares.

Third parties may terminate or alter existing contracts with NAVES as a result of the Acquisition

Third parties may look to terminate or change the terms of their contracts and relationships with NAVES as a result of the Acquisition. NAVES intends to communicate with their counterparties in regard to the Acquisition and to hopefully ensure that the relationships continue on no less favourable terms. However, such communication may not be successful and the termination of any contracts or relationships, or their continuation on terms less favourable to NAVES, may have adverse financial consequences for the Enlarged Group.

2. RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

Change in market conditions

NAVES and the Enlarged Group will operate their respective businesses from offices around the world and offer their services to clients around the world. Demand for NAVES', and the Enlarged Group's, services will be affected by clients' business operations and decisions, which may be affected by macro-economic developments and, particularly, changes in world trade and credit markets.

Such developments and changes could have the effect of significantly lowering the activity of NAVES', and the Enlarged Group's, services, reducing mandates won and commission and fees earned, and could negatively affect the creditworthiness of their clients, suppliers and the financial institutions with which they have business relationships. Any of these developments, alone or in combination, could have a material adverse effect on NAVES', and the Enlarged Group's, businesses, financial condition, results of operations and prospects.

Risk of damage to reputation

NAVES' and the Enlarged Group's ability to retain their clients and attract new business is dependent on the maintenance of their respective reputations. Although the Enlarged Group will seek to maintain the quality of its services (including those of NAVES) in order to protect its reputation, it cannot guarantee that it will be able to protect its business against damage to its corporate brand due to a professional error or mistake. Any error or mistake could have a material adverse effect on the respective businesses of NAVES and the Enlarged Group across divisions or geographic locations.

NAVES and the Enlarged Group will also be at risk of reputational damage if any part of the group is non-compliant with the Bribery Act 2010 and Modern Slavery Act 2015. As the geographical and divisional reach of NAVES and the Enlarged Group grows, there may also be an increased risk of inadvertent dealings with sanctioned companies or countries. Any such non-compliance or inadvertent dealings could lead to reputational damage and have a material adverse effect on the respective businesses, financial condition, results of operations or prospects of each of the group companies.

The Braemar Group has conducted due diligence on NAVES to mitigate the risk of inheriting any liabilities in this regard and the Braemar Group (and, following integration, NAVES) will continue its emphasis upon group compliance and risk, along with senior management site visits and close monitoring of all staff through the internal control framework. There can be no guarantee that such measures will sufficiently reduce and insure against the risk of error or omission and protect the reputation of NAVES and the Enlarged Group and, should reputation be damaged, this could have a material adverse effect on NAVES', and the Enlarged Group's, businesses, financial condition, results of operations and prospects.

Claims from employee errors and omissions

The Enlarged Group will be exposed to the risk of financial loss following error and omissions by the employees and consultants of NAVES. This could include binding NAVES and/or the Enlarged Group to transactions that present unacceptable risks or which exceed authorised limits or the hiding of unsuccessful or unauthorised activities from the relevant group. Errors or omissions on the part of employees could result in significant loss and potentially result in a significant claim against NAVES and/or the Enlarged Group. Both the Braemar Group and NAVES have put in place arrangements intended to reduce the occurrence and mitigate the effects of such error and omissions by employees, as well as maintaining sufficient insurance cover. However, these, along with other measures that the Braemar Group and NAVES take and the Enlarged Group will take to reduce and insure against the risk of error or omission, may not be effective in all cases and, where not effective, such errors or omissions could have a material adverse effect on NAVES' and the Enlarged Group's businesses, financial condition, results of operations and prospects.

Foreign currency exchange rates

The Braemar Group's functional and presentational currency is and the Enlarged Group's functional and presentational currency will be, Sterling. NAVES' functional and presentational currency is and, following the Acquisition, will be, Euros. Consequently, the Enlarged Group's business transactions will not all be

denominated in the same currency, and thus, the Enlarged Group will be exposed to increased foreign currency exchange rate risk, which may adversely affect the profitability, businesses, financial condition, results of operations or prospects of the Enlarged Group.

The Enlarged Group will be mitigating these risks by adopting hedging arrangements to provide more flexibility whilst maintaining appropriate protection against downside risk as well as continuing to strengthen links between divisional finance teams. However, these, along with other measures that the Braemar Group and NAVES take and the Enlarged Group will take, to reduce currency exposure risks, may not be effective in all cases and, where not effective, such foreign currency exchange rate fluctuations could have a material adverse effect on NAVES' and the Enlarged Group's businesses, financial condition, results of operations and prospects.

Competitive risks

The Braemar Group and NAVES operate and the Enlarged Group will operate in a highly competitive market. The principal competitive factors relevant to the businesses include the ability to retain high-calibre teams, continuing to win and maintain productive and positive client relationships, and the ability to identify, develop and offer innovative services whilst ensuring competitive pricing and market expertise.

The Braemar Group, NAVES and the Enlarged Group, must be able to adapt quickly to evolving industry and market trends and technological changes. Challenges currently include the impact on the market of business mergers, both in respect of competitors and in respect of clients, as well as additional competition from new market entrants and the migration of insurance markets away from London. Braemar believes that the Acquisition will improve the competitive ability of the Enlarged Group, but a failure to successfully execute on its strategy and to grow the businesses of NAVES and the Enlarged Group and to adapt their services in line with these challenges, could result in competitors acquiring additional market share, which could have a material adverse effect on the Enlarged Group's businesses, financial condition, results of operations and prospects.

Insurance

Braemar and NAVES maintain, and the Enlarged Group will maintain, appropriate insurance, but there can be no guarantee that cover thereunder would be sufficient to cover any loss suffered and insufficient cover could have a material adverse effect on their businesses, financial condition, results of operations and prospects.

Through operating in different markets to the Braemar Group, NAVES' needs for insurance are different from that of the Braemar Group and the Enlarged Group will need to ensure that it has adequate insurance coverage. Such coverage could involve an increase in insurance costs, or an inability to obtain insurance for an identified risk, which could have a material adverse effect on the Enlarged Group's businesses, financial condition, results of operations or prospects.

Liquidity risk²

The profit profile and cash generation of the Braemar Group and NAVES vary and the Enlarged Group will vary over time and across divisions and geographies. While NAVES invoices clients in a timely manner, it has, and will continue to have, exposure to any decline in the creditworthiness of their clients and, in particular, to any debts owed to them that are not discharged by their clients. The inability to recover debts owed by clients efficiently could have a material adverse effect on NAVES' and the Enlarged Group's businesses, financial condition, results of operations or prospects. Although the Enlarged Group will have measures in place to ensure that debts are pursued efficiently and in a timely manner, where such measures are ineffective and debts are not recoverable, this could have a material adverse effect on the Enlarged Group's liquidity and, subsequently, on its reputation, businesses, financial condition, results of operations or prospects.

² The disclosure of this liquidity risk in no way qualifies the working capital statement on page 53 of this document. Braemar is of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

Dependence on third party service providers

NAVES relies upon third party service providers for certain aspects of their business. Any interruption or deterioration in the performance of these third party service providers could impair the timing and quality of NAVES' services. In addition, if the contracts with any of these third party service providers are terminated, NAVES may not find alternative outsource providers on a timely basis or on equivalent terms. The occurrence of any of these events could impact upon NAVES', and consequently the Enlarged Group's, reputation and have a material adverse effect on the Enlarged Group's businesses, financial condition, results of operations or prospects.

Brexit

The UK has given notice under Article 50 of the Treaty on European Union of its intention to leave the European Union and will seek to negotiate the terms for it leaving the European Union with the intention that those negotiations and the UK's departure are finalised by March 2019. The precise outcome of those negotiations is not clear and there is also the prospect that timelines may be extended and that there may be transitional arrangements that extend well beyond March 2019. There is also the prospect that no agreement will be reached meaning that the UK would be left relying on World Trade Organisation rules for ongoing trade with the EU (and the wider European Single Market).

The prospect of Brexit and the uncertainties of timing and outcome may very well result in a number of negative economic consequences for the UK and, particularly, with its relations with the European Union. As a result, growth in both the UK and European Union economies may be reduced and this could have a detrimental impact on the market in which the Enlarged Group will operate and therefore on its overall financial performance. Further, the ability of the Braemar Group to fully integrate NAVES into the Enlarged Group may be impacted by political uncertainties, both during Brexit negotiations and beyond, and new restrictions, for example in the free movement of EU and UK citizens and/or of capital. Such uncertainties and any such restrictions could have a material adverse effect on the Enlarged Group's businesses, financial condition, results of operations or prospects.

In addition, while the UK is in the process of leaving the European Union, there may be exaggerated fluctuations in the value of Sterling as negotiations continue and as key developments become public. If it looks like there will be no negotiated trade deal this is likely to have a serious detrimental effect on the value of Sterling. On the other hand, the value of Sterling may rise significantly if it looks like a more attractive outcome will be achieved. This additional currency volatility will exaggerate any foreign currency exchange rate risk mentioned above.

Generally negative sentiments towards the UK and/or any generally pessimistic view of its economic prospects post Brexit could detrimentally affect the willingness of the European Union and other non-UK parties to trade with UK-owned companies and groups. This could impact on the financial performance of NAVES and the Enlarged Group. All of these factors could also make it more difficult for NAVES and the Enlarged Group to both pursue its growth strategy and to recruit and/or retain senior employees and executives.

FORWARD-LOOKING STATEMENTS

This document (including any information incorporated by reference into this document) includes forward-looking statements. The words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not current or historical facts. In particular, the statements of the Braemar Group regarding the Braemar Group's strategy, future financial position and other future events or prospects are forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the control of the Braemar Group, that could cause the actual results of the Braemar Group to differ materially from those indicated in any such statements. Such factors include, but are not limited to, poor investment performance, increased rates of redemptions, the inability of Braemar to obtain favourable

leverage, the potential illiquidity of assets, Braemar's indebtedness, increased competition, fluctuations in currency exchange rates, failure to attract and retain key personnel, risks associated with concentration and counterparty default, adverse regulatory developments or changes in government policy, misconduct of employees, changes in laws, third party litigation risk, failure to obtain necessary regulatory consent, legal proceedings relating to the proposed Acquisition, disruptions to Braemar's business because of a failure to complete the Acquisition and failure to realise the expected benefits of the proposed Acquisition. These risks and uncertainties include, but are not limited to, those factors described in this Part 5 of this document.

The Shareholders should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Braemar Group. By their nature, forward-looking statements involve risks and uncertainties because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance and the actual results of operations and financial condition of the Braemar Group and/or the Enlarged Group, and the development of the industry in which the Braemar Group and/or the Enlarged Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this document.

These forward-looking statements reflect Braemar's judgement at the date of this document and are not intended to give any assurances as to future results. To the extent required by MAR, the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules and other applicable regulations, Braemar will update or revise the information in this document. Otherwise, Braemar undertakes no obligation to update or revise any forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. Braemar will comply with its obligations to publish updated information as required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The use of forward-looking statements and the cautionary statements set out above does not in any way seek to qualify the working capital statement as set out on page 53 of this document.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Braemar Group, or persons acting on its behalf, may issue.

PART 6

INFORMATION ON NAVES

1. INTRODUCTION

NAVES is a private limited liability company incorporated in Germany and headquartered in Hamburg. The NAVES Group is comprised of NAVES and its wholly-owned subsidiary, NAVES Corporate Finance Limited.

NAVES was founded in early 2009 to target a perceived market opportunity created by the increased levels of distress in the global ship financing market resulting from the financial crisis and a decline in ship values and charter rates. The German ship financing market grew substantially during the 2000's, partly as a result of an influx of capital through a tax efficient project finance method, known as Kommanditgesellschaften or KG financing, whereby limited liability companies purchased vessels and chartered them to shipping companies, financed by third party debt and equity. The onset of the shipping crisis in 2007, the fall in charter rates and the resulting fall in value of the vessels has meant that many of these investments became distressed. Further, the decline in KG financing removed an important source of capital for the German shipping market.

NAVES was established to advise German and international maritime clients in this changing capital market environment on financing, restructuring and sale and purchase transactions. NAVES is engaged in the niche market of restructuring shipping debt from KG financings in the German commercial banking sector, which continues to contribute to its growing financial services business.

NAVES' services include: restructuring advisory; corporate finance advisory; mergers and acquisitions; asset brokerage; interim/pre-insolvency management; and financial asset management, including loan servicing.

NAVES' clients include shipping companies, shipping funds, lenders, issuing houses and charterers, as well as governmental entities.

2. BACKGROUND AND HISTORY

<i>Year</i>	<i>Milestone</i>
2009	NAVES founded.
2009	An agreement was reached with Jefferies Bank for a two year co-operation on maritime restructurings in the German market.
2010	NAVES founded NAVES Management (now NAVES Family Office) and became the Asset Manager for Meridian 10 AG, a company founded by Lehman Brothers, amongst others. NAVES' task was to wind down investments in 550 KG funds.
2013	NAVES Management became a financial service provider regulated by the German Federal Financial Supervisory Authority.
2014	NAVES Management launched multi-family office activity and renamed this business as 'NAVES Family Office' with an enlarged shareholder structure.
2015/2016	NAVES Corporate Finance sold its shares in NAVES Family Office to the partners of the family office. Mark Kuchenbecker and Axel Siepmann retained a minority shareholding.
2017	NAVES establishes an office in London.

3. BUSINESS OVERVIEW

NAVES provides corporate finance advice to global shipping clients with a focus on the German market. At the heart of its offering is its restructuring advisory business, which supports companies and lenders through

all phases of restructuring projects from analysing the scope and chances of success of the exercise to its negotiation and implementation. Restructuring projects have involved KG financings, German and international shipping companies and lenders and a variety of underlying vessels and fleets.

NAVES also provides sale and purchase brokerage services for both individual assets and fleets and has successfully advised on a large number of acquisitions and disposals, including a fleet of chemical tankers, the public auctions of two Aframax tankers for a German lender, a fleet of small inland tankers, and a number of container vessels, dry bulk vessels and minibulk vessels.

NAVES offers a broader range of corporate finance advice, covering such matters as mergers and acquisitions, joint ventures and financing transactions. Select recent experience includes the establishment of joint ventures between US private equity firms and container managers, the acquisition and disposal of consortium loans and loan portfolios for container vessels, and raising new build private equity financing.

NAVES also offers management services, both for pre-insolvency and insolvency scenarios and for financial assets, such as loan servicing and the establishment and operation of asset owning companies. Recent experience includes advising the administrator on a structured disposal of a cruise vessel, support in the acquisition of loans and the subsequent conversion into ownership of the vessels, supporting insolvency administrators on more than 30 insolvent vessels and setting up new ownership structures for more than fifteen distressed vessels.

4. KEY MANAGEMENT AND EMPLOYEES

The business of NAVES is led by founders and Managing Partners Mark Kuchenbecker and Axel Siepmann, who have over 40 years of combined professional experience in corporate finance or the maritime industry. Mr Kuchenbecker spent more than 18 years at Dresdner Bank, where he was responsible for group customer business in Northern Germany, providing corporate finance advice on a variety of different assets and transactions, including syndicated loans, asset backed securities, currency management, mergers and acquisitions and debt restructuring. In 2005, he became Head of Dresdner Kleinwort's Hamburg office, which included responsibility for shipping.

Mr Siepmann began his career working for PwC's corporate finance department, advising on business valuations, due diligence, mergers and acquisitions and restructurings. He also worked for the corporate finance advisory company, Sietz and Partner, which was founded in 1992 by the former head of Goldman Sachs, Germany. Most recently prior to founding NAVES, Mr Siepmann worked for MPC Münchmeyer Petersen Capital AG, where he was responsible for mergers and acquisitions and new product development.

Mr Kuchenbecker and Mr Siepmann are supported by five division heads, who lead teams totalling fifteen experts bringing a variety of backgrounds and skills, including ship brokers, bankers, former employees of ship-owning and managing companies, lawyers, mariners and fleet managers. With accounting and support staff, NAVES has a total staff of 20.

5. BUSINESS TRACK RECORD

NAVES was founded in 2009 primarily to target the niche market of restructuring shipping debt from KG financings in the German commercial banking sector and has since grown into a provider of a broad range of corporate finance and management advice. By 2010, NAVES was already advising on debt and charter hire restructurings of more than US\$ 1 billion. In 2010, NAVES advised on a financing transaction for two Kamsarmax bulk carriers and in 2011 entered the sale and purchase market and advised on the preparation of public auctions for two Aframax tankers and the disposal of three chemical tankers, together with an increasing number of restructuring mandates. As the business continued to grow its reputation in the market, it took on an increasing number and breadth of mandates and increased the size and capabilities of its team.

In 2013 and 2014, NAVES advised on its first fleet disposals and commenced the business of serving ownership structures. Revenues subsequently increased from €2.96 million in 2013 to €4.26 million in 2014. In 2015, NAVES began advising and supporting insolvency administrators through the liquidation of the afflicted companies and the disposal of the related vessels. Restructurings continued to be a major driver of profitability and NAVES was involved in the restructuring of several tanker, drybulk, container and off-shore

vessel fleets, and revenue and profit after tax increased further to €5.38 million and €1.31 million, respectively, in 2015.

In 2016, NAVES became increasingly active in the Greek market, supporting Greek clients in restructurings, as well as continuing to work with Greek clients as buyers for distressed vessels, which contributed to revenue and profit after tax for the year of €7.46 million and €2.13 million respectively. In total, NAVES has advised on the restructuring of over US\$6.5 billion of capital and charter hire and on over US\$1.5 billion of related transactions, including both corporate and sale and purchase transactions, and has serviced over US\$0.5 billion of vessels and loans on behalf of its clients.

PART 7

HISTORICAL FINANCIAL INFORMATION ON NAVES



Private & confidential

The Directors
Braemar Shipping Services plc
One Strand
Trafalgar Square
London
WC2N 5HR

Ladies and Gentlemen

NAVES Corporate Finance GmbH

We report on the financial information set out in Part 7 of the Class 1 circular dated 7 September 2017 of Braemar Shipping Services plc for the years ended 31 December 2014, 31 December 2015 and 31 December 2016. This financial information has been prepared for inclusion in the Class 1 circular relating to the acquisition of NAVES Corporate Finance GmbH dated 7 September 2017 of Braemar Shipping Services plc on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph 13.5.21R of the Listing Rules and is given for the purpose of complying with that paragraph and for no other purpose.

1 Responsibilities

The Directors of Braemar Shipping Services plc are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

2 Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.



KPMG LLP
Braemar Shipping Services plc
7 September 2017

3 Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Class 1 circular dated 7 September 2017, a true and fair view of the state of affairs of NAVES Corporate Finance GmbH as at 31 December 2014, 31 December 2015 and 31 December 2016 and of its profits, cash flows and changes in equity for the years ended 31 December 2014, 31 December 2015, and December 2016, in accordance with the basis of preparation set out in note 1 to the financial information.

Yours faithfully

KPMG LLP

PART A – FINANCIAL INFORMATION ON NAVES

INCOME STATEMENT

<i>For the years ended</i>		<i>31 Dec 2016</i>	<i>31 Dec 2015</i>	<i>31 Dec 2014</i>
	<i>Note</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
<i>Continuing operations</i>				
Revenue		7,460	5,379	4,256
Operating costs		(4,465)	(3,388)	(2,716)
Operating profit	2	2,995	1,991	1,540
Finance income	4	40	51	22
Finance costs	4	(1)	(52)	(0)
Profit before taxation		3,034	1,989	1,563
Taxation	5	(906)	(684)	(568)
Profit for the year		2,128	1,305	994

All operations are continuing operations

There is no comprehensive income other than the profit for the year.

BALANCE SHEETS

	<i>Note</i>	<i>31 Dec 2016</i> €'000	<i>31 Dec 2015</i> €'000	<i>31 Dec 2014</i> €'000
Assets				
Non-current assets				
Property, plant and equipment	7	29	13	5
Investments	8	139	289	501
Other long-term receivables	9	143	60	284
		<u>311</u>	<u>362</u>	<u>790</u>
Current assets				
Trade and other receivables	10	1,390	834	863
Cash and cash equivalents	11	1,431	2,428	1,082
		<u>2,821</u>	<u>3,262</u>	<u>1,945</u>
Total assets		<u>3,132</u>	<u>3,624</u>	<u>2,735</u>
Liabilities				
Current liabilities				
Trade and other payables	12	543	42	261
Current tax payable		522	15	16
Provisions	13	101	83	29
		<u>1,166</u>	<u>141</u>	<u>306</u>
Total liabilities		<u>1,166</u>	<u>141</u>	<u>306</u>
Total assets less total liabilities		<u>1,966</u>	<u>3,484</u>	<u>2,429</u>
Equity				
Share capital	14	100	100	100
Other reserves		74	74	74
Retained earnings		1,792	3,309	2,254
Total equity		<u>1,966</u>	<u>3,484</u>	<u>2,429</u>

STATEMENT OF CHANGES IN EQUITY

	<i>Share capital</i> €'000	<i>Other reserves</i> €'000	<i>Retained earnings</i> €'000	<i>Total</i> €'000
At 1 January 2014	100	74	2,910	3,084
Profit for the year	–	–	994	994
Dividends paid			(1,650)	(1,650)
At 31 December 2014	100	74	2,254	2,429
Profit for the year	–	–	1,305	1,305
Dividends paid			(250)	(250)
At 31 December 2015	100	74	3,309	3,484
Profit for the year	–	–	2,128	2,128
Dividends paid			(3,646)	(3,646)
At 31 December 2016	100	74	1,792	1,966

CASH FLOW STATEMENT

	<i>Notes</i>	<i>Year ended 31 Dec 16 €'000</i>	<i>Year ended 31 Dec 15 €'000</i>	<i>Year ended 31 Dec 14 €'000</i>
Cash flows from operating activities				
Cash generated from operations	15	2,963	1,859	2,099
Interest received and income from investments		39	51	22
Tax paid		(399)	(685)	(572)
Net cash generated from operating activities		<u>2,603</u>	<u>1,224</u>	<u>1,550</u>
Cash flows from investing activities				
Purchase of property, plant and equipment and computer software		(22)	(11)	(1)
Purchase of investments		–	(1)	(239)
Proceeds from disposal of investments		150	350	–
Other long term assets		(83)	35	(95)
Net cash generated by/(used in) investing activities		<u>46</u>	<u>373</u>	<u>(335)</u>
Cash flows from financing activities				
Dividends paid		(3,646)	(250)	(1,650)
Net cash used in financing activities		<u>(3,646)</u>	<u>(250)</u>	<u>(1,650)</u>
(Decrease)/increase in cash and cash equivalents		(997)	1,347	(435)
Cash and cash equivalents at beginning of the period		2,428	1,082	1,517
Cash and cash equivalents at end of the period		<u>1,431</u>	<u>2,428</u>	<u>1,082</u>

1 Accounting policies

a) *Basis of preparation*

The historical financial information has been prepared on a going concern basis under the historical cost convention, presented in Euros which is the entity's functional currency.

NAVES ("NAVES" or "the Company") was part of a larger group of entities during the periods presented. The historical financial information for the three years ended 31 December 2016 has been prepared specifically for the purposes of this Circular and in accordance with the Listing Rules, and in accordance with this basis of preparation.

This basis of preparation describes how the historical financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), except as noted below.

IFRS does not provide for the preparation of special purpose historical financial information, or for the specific accounting treatment set out below. Accordingly, in preparing the historical financial information, certain accounting conventions commonly used for the preparation of special purpose financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on combined historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departure from IFRS; in all other respects, IFRS has been applied

The historical financial information has been prepared on an 'entity carve out' basis and as such was derived from the separate financial statements and accounting records of NAVES and is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 "Consolidated Financial Statements". The accounting principles applied are those relevant to individual financial statements.

The accounting policies applied and disclosed below are consistent with those used by Braemar in its annual financial statements for the year ended 28 February 2017 and these policies have been applied consistently to all periods presented unless stated otherwise.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted

As at the date of preparation of the historical financial information, the following standards and interpretations were in issue but not yet effective (and in some cases had not yet been adopted by the EU). The Company has not applied these standards and interpretations in the preparation of these financial statements:

- Amendment to IAS 7, 'Statement of cash flows' on disclosure initiative
- Amendment to IAS 12, 'Income taxes' on recognition of deferred tax assets for unrealised losses
- Amendment to IFRS 2, 'Share based payments' regarding how to account for certain types of share-based payment transactions
- IFRS 15 'Revenue from contracts with customers'
- IFRS 9 'Financial instruments'
- Amendments to IAS 40, 'Investment property' relating to transfers of investment property
- IFRIC 22, 'Foreign currency transactions and advance consideration'
- IFRS 16 'Leases'
- Annual improvements (2014 – 2016)

The impact on the Company's financial statements of the future adoption of these and other new standards and interpretations is under review. IFRS15 'Revenue from contracts with customers' sets out the requirements for recognising revenue from contracts with customers and requires apportionment of revenue earned from contracts to individual promises, or performance obligations. IFRS15 'Revenue from contracts with customers' will be effective from 1 January 2018. The Company does not expect the effect of this standard to have a material effect on the results or net assets of the Company, but is in the process of quantifying the implications. IFRS 16 'Leases' will be effective from 1 January 2019 and requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is of low value. The Group is still reviewing the effect of the application of this standard.

Explanation of adoption of IFRS in the historical financial information

The historical financial information presents financial information of the Company prepared in accordance with IFRSs for the first time. The 2016 financial statements for the Company were prepared under German general accepted accounting principles.

The accounting policies set out in note 1 have been applied in preparing the financial information for the year ended 31 December 2016 and the comparative information presented in the financial information for the years ended 31 December 2015 and 2014 and in the preparation of an opening IFRS balance sheet at 1 January 2014 (the date of transition for the historical financial information).

In preparing its opening IFRS balance sheet, the Company has not identified any measurement adjustments in respect to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (German GAAP). Certain items of the income statement and balance sheet have been reallocated between line items to be in accordance with Braemar's accounting policies and presentation but there is no net impact on profit for the years, net assets or net equity. Under German GAAP the Company had not been required to prepare a cash flow statement.

b) *Use of estimates and critical judgements*

The preparation of financial statements in conformity with IFRSs as endorsed by the EU requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

A key judgement, not involving estimation, which NAVES makes applies to its approach to revenue recognition particularly in respect of the assessments made regarding the appropriate timing of recognition of revenue. This can involve assessment of completion of third parties' obligations in order for commission or similar revenue to be recognised.

The key area where the Company typically makes judgements involving estimates is in respect of provision for impairment of trade receivables: Ongoing judgements are required in assessing the appropriate level of impairment provision taking into account the age of the receivables and risk of the amounts not being recovered (see Note 10).

c) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to NAVES and the revenue can be reliably measured.

Revenue of NAVES consists of:

- i) Retainer mandates. Income is recognised on a straight-line basis over the term of the mandate;
- ii) Success fees on brokerage or sale of vessels, completed restructurings and financings. Commission is earned and recognised when the principals in the transaction complete on the sale/purchase and the title of the vessel passes from the seller to the buyer. Judgement is required as to when these obligations have been completed by the third parties.

Dividend income from investments is recognised when the shareholders' legal rights to receive payment have been established.

d) ***Foreign currencies***

The presentational currency of NAVES is Euros. Transactions in currencies other than Euros are recorded at the rates of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

e) ***Taxation***

The taxation expense represents the sum of the current and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the balance sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the income statement unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. The deferred tax is released to the income statement at the same time as the taxable transaction is recognised in the income statement. Deferred taxation on unremitted overseas earnings is provided for to the extent a tax charge is foreseeable.

f) ***Property, plant and equipment***

Property, plant and equipment are shown at historical cost less accumulated depreciation and any impairment value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight-line basis over its expected useful life as follows:

Computers – four years

Fixtures and equipment – four years

g) ***Investments***

Investments in associates and joint ventures and subsidiaries are accounted for under the equity cost method of accounting in the financial statements.

Investments where NAVES has no significant influence are held at fair value with movements in fair value recorded in Other Comprehensive Income other than impairments which are recorded in the Income Statement.

h) ***Impairment***

The carrying amount of the Company's assets other than financial assets within the scope of IAS 39 and deferred tax assets, are reviewed each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is determined based on value in use calculations, which requires the use of estimates. An impairment loss is recognised in the income statement whenever the carrying amount of the assets exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the assets with the exception of goodwill is increased to the revised estimate of its recoverable amount. This cannot exceed the

carrying amount prior to the impairment charge. An impairment recognised in the income statement in respect of goodwill is not subsequently reversed.

i) ***Derivative financial instruments and hedging***

Derivatives are initially recognised at fair value and are subsequently re-measured at their fair value at each balance sheet date. Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if it is, the nature of the item being hedged. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement. NAVES designates derivatives that qualify for hedge accounting as a cash flow hedge where there is a high probability of the forecast transactions arising. The effective portion of changes in the fair value of these derivatives is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled to the income statement at the same time as the gains or losses on the hedged items. When a forecast transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately transferred to the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

The fair value of forward foreign exchange contracts is based either directly (i.e. as prices) or indirectly (i.e. derived from prices) at the balance sheet date.

j) ***Trade and other receivables***

Trade and other receivables are recognised and carried at the lower of their original value and recoverable amount. Provision is made where there is evidence that the balances will not be recovered in full.

k) ***Cash and cash equivalents***

Cash and cash equivalents included in the balance sheet comprise cash in hand, short-term deposits with an original maturity of three months or less and restricted cash.

Cash and cash equivalents included in the cash flow statement include cash and short-term deposits, net of bank overdrafts.

l) ***Provisions***

Provisions are recognised when NAVES has a present obligation (legal or otherwise) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If material, the provisions are discounted using an appropriate current pre-tax interest rate.

m) ***Pension scheme arrangements***

NAVES operates a defined contribution scheme. Pension costs charged against profits in respect of these schemes represent the amount of the contributions payable to the schemes in respect of the accounting period. The assets of the schemes are held separately from those of NAVES within independently administered funds. NAVES has no further payment obligations once the contributions have been paid.

n) ***Borrowings***

Arrangement costs for bonds and loan facilities in respect of debt are capitalised and amortised over the life of the debt at a constant rate.

Finance costs are charged to the income statement, based on the effective interest rate of the associated borrowings.

o) **Leasing**

Operating leases are charged to the income statement as an expense on a straight-line basis over the lease term. Operating lease income is recognised in the income statement on a straight-line basis over the lease term.

p) **Segmental reporting**

The Directors are of the opinion that the Company is engaged in a single segment of business, being advising maritime clients, and in one geographical area, Germany. There is no one client that represents more than 10% of company revenue. The chief operating decision maker is considered to be the Directors who are provided with financial information on a monthly basis.

2 Operating profit

	Notes	2016 €'000	2015 €'000	2014 €'000
Staff costs	3	(1,877)	(1,238)	(878)
Depreciation on tangible fixed assets	7	(6)	(3)	(2)
Impairment of loan			(52)	
Operating lease rentals:				
– Land and buildings		(213)	(70)	(62)
– Other		(31)	(24)	(16)
Net foreign exchange losses		(9)	(17)	(1)
		<u>(1,877)</u>	<u>(1,238)</u>	<u>(878)</u>

The impairment in 2015 was recognised on the conversion of a loan to an affiliate of €188 thousand for shares in that affiliate with a fair value of €136 thousand.

3 Staff costs

a) **Staff costs for the Group during the year (including Directors)**

	Notes	2016 €'000	2015 €'000	2014 €'000
Salaries and wages		(1,691)	(1,103)	(781)
Other pension costs		(1)	–	–
Social security costs		(184)	(135)	(97)
		<u>(1,877)</u>	<u>(1,238)</u>	<u>(878)</u>

4 Finance income and costs – net

	2016 €'000	2015 €'000	2014 €'000
Finance income:			
– income from investments	39	50	–
– Interest on bank deposits	1	1	22
Total finance income	<u>40</u>	<u>51</u>	<u>22</u>
Finance costs:			
– Interest payable on bank loans and other loans	(1)	–	–
– Impairment of financial assets	–	(52)	–
Total finance costs	<u>(1)</u>	<u>(52)</u>	<u>–</u>
Finance income/(costs) – net	<u>39</u>	<u>(2)</u>	<u>22</u>

5 Taxation

Analysis of charge in year

	<i>2016</i>	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Current tax			
German Corporation tax charged to the income statement	(906)	(684)	(568)
Total current tax	<u>(906)</u>	<u>(684)</u>	<u>(568)</u>
Total deferred tax	–	–	–
Taxation	<u>(906)</u>	<u>(684)</u>	<u>(568)</u>
Reconciliation between expected and actual tax charge			
Profit before tax	<u>3,034</u>	<u>1,989</u>	<u>1,563</u>
Profit before tax at standard rates of German corporation tax (32.28%)	979	642	504
Expenses not deductible for tax purposes	2	5	1
Prior year adjustments	<u>(75)</u>	<u>37</u>	<u>63</u>
Total tax charge for the year	<u>906</u>	<u>684</u>	<u>568</u>

The Company is subject to corporation income tax, which is 15% of the taxable amount plus 5.5% solidarity surcharge on the tax amount (tax rate is 15.83% total). The Company is also subject to business tax, which is another 16.45% on the taxable amount, in total 32.28%.

There are no enacted or substantively enacted future changes to these tax rates.

6 Dividends

Amounts recognised as distributions to equity holders in the year:

	<i>2016</i>	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Dividends paid on ordinary shares	<u>3,646</u>	<u>250</u>	<u>1,650</u>
	<u>3,646</u>	<u>250</u>	<u>1,650</u>

7 Property, plant and equipment

	<i>Acquisition and production costs €'000</i>	<i>Accumulated depreciation €'000</i>	<i>Carrying amount €'000</i>
1 January 2014	25	(19)	5
Additions	1	(2)	
Disposals	–	–	
Reclassifications	–	–	
31 December 2014	<u>26</u>	<u>(21)</u>	5
Additions	11	(3)	
Disposals	–	–	
Reclassifications	–	–	
31 December 2015	<u>37</u>	<u>(24)</u>	13
Additions	22	(6)	
Disposals	–	–	
Reclassifications	–	–	
31 December 2016	<u>59</u>	<u>(29)</u>	29

At 31 December 2016, NAVES had no contractual commitments for the acquisition of property, plant and equipment (2015: nil, 2014: nil).

8 Investments

	<i>Unlisted investments €'000</i>
Cost	
1 January 2014	263
Additions	239
31 December 2014	<u>501</u>
Additions	138
Disposals	(350)
31 December 2015	<u>289</u>
Additions	–
Disposals	(150)
31 December 2016	<u>139</u>

No impairment has been recorded against any investment in the period.

Additions during 2015 include the capitalisation of a loan to an affiliate for shares with a value of €136 thousand.

IFRS analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The unlisted investments have only Level 3 inputs. In the opinion of the directors the fair value of the investments was not materially different from their cost.

9 Other long-term receivables

	2016	2015	2014
	€'000	€'000	€'000
Loans to employees	143	60	95
Loans to affiliates	–	–	189
	<u>143</u>	<u>60</u>	<u>284</u>

All loans are interest bearing. The directors consider that the carrying amounts of long-term receivables approximate to their fair value.

10 Trade and other receivables

	2016	2015	2014
	€'000	€'000	€'000
Trade receivables	2,304	1,624	1,602
Provision for impairment of trade receivables	(1,176)	(1,021)	(806)
	1,128	603	796
Other receivables	217	214	65
Prepayments	45	17	2
	<u>1,390</u>	<u>834</u>	<u>863</u>

The Directors consider that the carrying amounts of trade receivables approximate to their fair value.

Terms associated with the settlement of the NAVES' trade receivables vary. Specific debts are provided for where recovery is deemed uncertain, which will be assessed on a case by case basis whenever debts are older than the due date, but always when debts are older than usual for the industry in which NAVES operates.

The ageing profile of trade receivables as at 31 December 2016 is as follows:

	2016	2015	2014
	€'000	€'000	€'000
Up to 3 months	997	512	616
3 to 6 months	207	315	209
7 to 12 months	253	255	278
Over 12 months	847	542	498
Total	<u>2,304</u>	<u>1,624</u>	<u>1,602</u>

11 Cash and cash equivalents

Cash and cash equivalents largely comprise bank balances denominated in sterling, euro and other currencies for the purpose of settling current liabilities.

Restricted cash comprises cash balances where there are restrictions as to withdrawal or use of cash under the terms of certain financial instruments. The amounts are held in designated accounts.

The Directors consider that the carrying amounts of these assets approximate to their fair value.

12 Trade and other payables

	2016	2015	2014
	€'000	€'000	€'000
Trade payables	141	27	36
Tax creditor	401	11	–
Amounts owed to affiliates	–	5	225
Other taxation and social security	1	–	–
	<u>543</u>	<u>42</u>	<u>261</u>

The Directors consider that the carrying amounts of trade payables approximate to their fair value.

13 Provisions

	€'000
At 1 January 2014	18
Charged in the year	26
Utilised in the year	(16)
At 31 December 2014	<u>29</u>
Charged in the year	83
Utilised in the year	(29)
At 31 December 2015	<u>83</u>
Charged in the year	76
Utilised in the year	(58)
At 31 December 2016	<u>101</u>

Provisions are in respect of employee vacations and other employee-related accruals.

14 Share capital

NAVES has one class of ordinary shares which carry no right to fixed income.

	2016	2015	2014	2016	2015	2014
	number	number	number	€'000	€'000	€'000
Authorised and issued Ordinary shares of 1 Euro each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>	<u>100</u>

15 Reconciliation of operating profit to net cash flow from operating activities

Cash generated from operations

	<i>2016</i>	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Profit before tax for the year from continuing operations	3,034	1,989	1,563
Adjustments for:			
– Depreciation	6	3	2
– Impairment	–	52	–
– Net finance income	(39)	(51)	(22)
– Net foreign exchange gains and financial instruments	9	–	–
Changes in working capital:			
– Trade and other receivables	(565)	29	387
– Trade and other payables	500	(217)	222
Provisions	18	54	(53)
Cash generated from operations	<u>2,963</u>	<u>1,859</u>	<u>2,099</u>

16 Financial commitments

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<i>2016</i>	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Within one year	250	79	69
Between one and five years	–	69	138
Over five years	–	–	–
Sum	<u>250</u>	<u>148</u>	<u>207</u>

All leases are in respect of land and buildings

17 Contingent liabilities

The Company has no contingent liabilities (2015: none; 2014: none).

18 Related party transactions

Identity of related parties with which the Company has transacted

Transactions and balances with related parties are set out in the table below. Key management personnel are Axel Siepman and Mark Kuchenbecker. They control 69.90% of the voting shares of the Company. The Company had no commitments or provisions for debts in respect of related parties during the period. The Company had no transactions with key management personnel.

Related party	Transactions in the period	2016		2015		2014	
		Transactions in the period €'000	Balance at period end €'000	Transactions in the period €'000	Balance at period end €'000	Transactions in the period €'000	Balance at period end €'000
<i>Subsidiary of the Company</i>							
CH2 Audacia							
Schiffahrtsgesellschaft GmbH & Co. KG	Distribution (net)	34		50	–	–	–
CH2 Audacia							
Schiffahrtsgesellschaft GmbH & Co. KG	Consulting Fee	–		32	–	–	–
<i>Controlled or jointly controlled by related person</i>							
Greenland Shipping							
Company Ltd	Consulting Fees	60	5	60	5	50	50
Iceland Shipping Company Ltd.	Consulting Fees	60	5	60	5	50	25
Ireland Shipping Company Ltd.	Consulting Fees	60	5	5	5	–	–
Madagascar Shipping							
Company Ltd.	Consulting Fees	–	–	39	–	–	–
NAVES Family Office GmbH	Service Agreement	(35)	–	(14)	–	(14)	–
NAVES Family Office GmbH	Sub-rental contract Domstraße 17	38	–	(69)	–	(62)	–
Siepman & Cie. GmbH & Co. KG							
	Consulting services Axel Siepman	(749)	–	(700)	–	(326)	–
Svalbard Shipping							
Company Ltd.	Consulting Fees	60	5	60	20	50	50
<i>A related person has significant influence or is a member of key management</i>							
Max-Dohrn 8-10							
GmbH & Co. KG	Consulting fee	250	–	–	–	–	–
Meridian 10 Holding AG							
	Consulting services Mark Kuchenbecker	(677)	–	(540)	–	(270)	–
Meridian 10 Holding AG							
	Sub-rental contract Domstraße 17	52	–	–	–	–	–

19 Ultimate parent company and parent company of larger group

In the opinion of the directors the Company is not controlled by any individual or entity.

20 Post balance sheet events

In May 2017, NAVES acquired the entire issued share capital of Siepman, Sietz and Partner Limited, a dormant entity. It then changed its name to NAVES Corporate Finance Limited and subscribed for additional share capital up to a total of £25,000. Prior to acquisition the company has been dormant.

PART 8

UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE ENLARGED GROUP

Part A Unaudited pro forma financial information for the Enlarged Group

The unaudited pro forma financial information of the Enlarged Group set out in this Part 8 has been prepared to illustrate the effect of the Acquisition on the statement of net assets of the Enlarged Group as if it had taken place on 28 February 2017, and, on the consolidated income statement of the Enlarged Group as if it had taken place on 1 March 2016.

The unaudited pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by Braemar in preparing the financial statements for the year ending 28 February 2017.

The unaudited pro forma financial information has been prepared on the basis of, and should be read in conjunction with, the notes set out below.

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position or results. It may not, therefore, give a true picture of the Enlarged Group's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Directive Regulation.

PRO FORMA INCOME STATEMENT OF THE ENLARGED GROUP

	<i>Braemar</i>		<i>Debt</i>	<i>Acquisition</i>	<i>Pro forma</i>
	<i>consolidated</i>	<i>NAVES</i>	<i>raising</i>	<i>adjustment</i>	<i>Enlarged</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 5</i>	<i>Group</i>
	<i>28-Feb-17</i>	<i>31-Dec-16</i>			
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	139,842	6,372			146,214
Cost of sales	(28,339)	–			(28,339)
Gross profit	111,503	6,372	–	–	117,875
Operating income/(expense) before Specific Items	(108,008)	(3,814)			(111,822)
Underlying operating profit/(loss) Specific Items	3,495 (3,829)	2,558 –	–	– (9,994)	6,053 (13,823)
Operating profit/(loss)	(334)	2,558	–	(9,994)	(7,770)
Finance income	61	34			95
Finance costs	(364)	(1)	(305)		(670)
Profit/(loss) before taxation	(637)	2,591	(305)	(9,994)	(8,345)
Taxation before Specific Items	(616)	(774)			(1,390)
Taxation on Specific Items	764	–			764
Reported profit/(loss) for the year	(489)	1,817	(305)	(9,994)	(8,971)
Underlying profit/(loss) for the year	2,576	1,817	(305)	–	4,088

PRO FORMA NET ASSET STATEMENT OF THE ENLARGED GROUP

	<i>Braemar consolidated Note 1 28-Feb-17 £'000</i>	<i>Debt raising Note 3 £'000</i>	<i>NAVES Note 2 31-Dec-16 £'000</i>	<i>Carve-out Note 4 £'000</i>	<i>Acquisition Note 5 £'000</i>	<i>Pro forma Enlarged Group £'000</i>
Assets						
Non-current assets						
Goodwill	77,806		–		14,006	91,812
Other intangible assets	2,215		–			2,215
Property, plant and equipment	4,561		25			4,586
Investments	1,356		119	(119)		1,356
Deferred tax assets	3,584		–			3,584
Other long-term receivables	385		122			507
	<u>89,907</u>	<u>–</u>	<u>266</u>	<u>(119)</u>	<u>14,006</u>	<u>104,060</u>
Current assets						
Trade and other receivables	57,199		1,188			58,387
Cash and cash equivalents	7,674	6,321	1,222	(560)	(7,671)	6,986
	<u>64,873</u>	<u>6,321</u>	<u>2,410</u>	<u>(560)</u>	<u>(7,671)</u>	<u>65,373</u>
Total assets	154,780	6,321	2,676	(679)	6,335	169,433
Current liabilities						
Derivative financial instruments	(852)		–			(852)
Trade and other payables	(45,855)		(464)			(46,319)
Short-term borrowings	(622)		–		(180)	(802)
Current tax payable	(996)		(446)			(1,442)
Provisions	(854)		(86)			(940)
	<u>(49,179)</u>	<u>–</u>	<u>(996)</u>	<u>–</u>	<u>(180)</u>	<u>(50,355)</u>
Non-current liabilities						
Long-term borrowings	–	(6,321)	–		(7,221)	(13,542)
Deferred tax liabilities	(836)		–			(836)
Provisions	(288)		–			(288)
Pension deficit	(4,305)		–			(4,305)
	<u>(5,429)</u>	<u>(6,321)</u>	<u>–</u>	<u>–</u>	<u>(7,221)</u>	<u>(18,971)</u>
Total liabilities	(54,608)	(6,321)	(996)	–	(7,401)	(69,326)
Net assets	100,172	–	1,680	(679)	(1,066)	100,107

Notes

1. Financial information for Braemar is extracted without adjustment from its consolidated financial statements as at and for the year ended 28 February 2017.
2. Proforma financial information for NAVES is extracted without adjustment from Part 7 save for translation into Sterling at the closing rate at 28 February 2017 of 1.1707 as set out in the tables below:

	<i>NAVES per Part 7 31-Dec-16 €'000</i>	<i>NAVES Converted at 28 February 2017 closing rate of 1.1707 €/£ £'000</i>
Revenue	7,460	6,372
Gross profit	7,460	6,372
Operating income/(expense) before Specific Items	(4,465)	(3,814)
Underlying operating profit/(loss)	2,995	2,558
Operating profit/(loss)	2,995	2,558
Finance income	40	34
Finance costs	(1)	(1)
Profit/(loss) before taxation	3,034	2,591
Taxation before Specific Items	(906)	(774)
Profit/(loss) for the year	2,128	1,817
	<i>NAVES per Part 7 31-Dec-16 €'000</i>	<i>NAVES Converted at 28 February 2017 closing rate of 1.1707 €/£ 31-Dec-16 £'000</i>
Assets		
Property, plant and equipment	29	25
Investments	139	119
Other long-term receivables	143	122
	311	266
Current assets		
Trade and other receivables	1,390	1,188
Cash and cash equivalents	1,431	1,222
	2,821	2,410
Total assets	3,132	2,676
Liabilities		
Trade and other payables	(543)	(464)
Current tax payable	(522)	(446)
Provisions	(101)	(86)
	(1,166)	(996)
Total liabilities	(1,166)	(996)
Total assets less total liabilities	1,966	1,680

- 3 Debt raising comprises the €7.40 million (£6.32 million) cash payable to sellers of NAVES at Completion. The finance expense has been illustrated at a cost of borrowing of 2.25%.
- 4 Certain items presented in the historical financial information are outside of the perimeter of the acquired business, comprising investments and working capital in excess of €1,000. Adjustments in respect of these excluded items have been illustrated based on their 31 December 2016 values in the proforma enlarged balance sheet.

5 Acquisition adjustments arise on the acquisition of NAVES. Purchase consideration denominated in Euros has been translated at the closing rate applied to the NAVES historical financial information as the value of the predominantly Euro NAVES business provides a natural hedge of the Euro obligations arising on its acquisition. The consideration payable attributable to the acquisition of NAVES under IFRS comprises:

- a. €7.40 million (£6.32 million) cash consideration paid at Completion to sellers of NAVES
- b. €7.40 million (£6.32 million) loan notes issued at Completion to sellers of NAVES
- c. €1.51 million (£1.29 million) ordinary shares issued at Completion to sellers of NAVES
- d. €0.63 million (£0.54 million) deferred cash consideration due to non-management sellers of NAVES
- e. €0.63 million (£0.54 million) of deferred loan notes to be issued to non-management sellers of NAVES.

The total consideration of €17.57 million (£15.01 million) and the net assets of NAVES acquired of £1.00 million results in pro forma goodwill of £14.01 million. A full fair value exercise to allocate the purchase price will be completed following Completion, therefore no account has been taken in the pro forma of any fair value adjustments that may arise in connection with the acquisition or for the value of any customer related or other intangibles to be recognised at the date of acquisition.

The deferred consideration of €17.43 million (£14.88 million) which is payable to sellers who are required to continue to provide services to NAVES is treated as post-acquisition expense over the period of their required service. The charge in respect of the first twelve months after acquisition is up to £8.64 million, of which £0.42 million will be due in cash in that period.

The pro forma adjustment to profit and loss in the Acquisition column also includes £1.35 million of acquisition expenses resulting in a total expense of £9.99 million.

No adjustments have been made to reflect the results of the operations of Braemar or NAVES since 28 February 2017 and 31 December 2016 respectively, or other changes of their financial situation within this period of time.

Part B Accountant's report on the unaudited pro forma financial information for the Enlarged Group



Private & confidential

The Directors
Braemar Shipping Services plc
One Strand
Trafalgar Square
London
WC2N 5HR

Ladies and Gentlemen

Braemar Shipping Services plc

We report on the pro forma financial information (the “Pro forma financial information”) set out in Part 8 of the Class 1 circular dated 7 September 2017, which has been prepared on the basis described in notes 1 to 5, for illustrative purposes only, to provide information about how the acquisition of NAVES Corporate Finance GmbH might have affected the financial information presented on the basis of the accounting policies adopted by Braemar Shipping Services plc in preparing the financial statements for the period ended 28 February 2017. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

1 Responsibilities

It is the responsibility of the directors of Braemar Shipping Services plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

2 Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Braemar Shipping Services plc.



KPMG LLP
Braemar Shipping Services plc
7 September 2017

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Braemar Shipping Services plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

3 Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Braemar Shipping Services plc.

Yours faithfully

KPMG LLP

PART 9

TERMS AND CONDITIONS OF THE ACQUISITION

Share Purchase Agreement

1. Consideration

Under the terms of the Acquisition Agreement, Braemar AcquisitionCo will acquire the entire issued share capital of NAVES for a minimum purchase price of €24.00 million (subject to a customary adjustment based on target working capital) and a maximum purchase price of €35.00 million. The consideration is comprised of: (a) the Initial Consideration; (b) Consideration Shares; (c) the First Deferred Consideration; (d) the Second Deferred Consideration; and (e) the Earn-out Consideration.

Further details of the consideration and methods of satisfaction are set out in the following table:

<i>Consideration</i>	<i>Recipient</i>	<i>Value</i>	<i>Payment date</i>	<i>Means of satisfaction</i>
Initial Consideration	All Sellers (apportioned as agreed under the Acquisition Agreement)	€14.80 million	On Completion	50 per cent. in cash and 50 per cent. in Convertible Loan Notes
Consideration Shares	Non-management Sellers	€1.50 million	On Completion	458,166 Ordinary Shares*
First Deferred Consideration	All Sellers (apportioned as agreed under the Acquisition Agreement)	€4.20 million†	<ul style="list-style-type: none"> • €1.40 million on the first anniversary of Completion • €1.40 million on the second anniversary of Completion • €1.40 million on the third anniversary of Completion 	50 per cent. in cash and 50 per cent. in Convertible Loan Notes
Second Deferred Consideration	Management Sellers	€3.50 million	<ul style="list-style-type: none"> • €0.70 million on the first anniversary of Completion • €0.70 million on the second anniversary of Completion • €0.70 million on the third anniversary of Completion • €0.70 million on the fourth anniversary of Completion • €0.70 million on the fifth anniversary of Completion 	Convertible Loan Notes
Earn-out Consideration	Management Sellers	€11.00 million	<ul style="list-style-type: none"> • €3.667 million within 5 Business Days of NAVES' EBIT for the period ending 31 August 2018 being determined in accordance with the terms of the Acquisition Agreement▲ • €3.667 million within 5 Business Days of NAVES' EBIT for the period ending 31 August 2019 being determined in accordance with the terms of the Acquisition Agreement • €3.667 million within 5 Business Days of NAVES' EBIT for the period ending 31 August 2020 being determined in accordance with the terms of the Acquisition Agreement 	Convertible Loan Notes

* Representing a price of 300.2 pence per Ordinary Share (being the Reference Price).

† Interest at a rate of three per cent. will accrue on each tranche of the First Deferred Consideration from the date of Completion until the date of payment of the relevant tranche so that (assuming each tranche is payable in full): (a) €42,000 in interest is payable on the first tranche of First Deferred Consideration; (b) €84,000 in interest is payable on the second tranche of First Deferred Consideration and (c) €126,000 in interest is payable on the third tranche of First Deferred Consideration.

▲ The first reference period is expected to be 339 days with the result that the EBIT for that period will be annualised for the purposes of calculating the Earn-out Consideration for that period. Each of the two subsequent reference periods are 365 days.

Leaver provisions in the Acquisition Agreement provide that, if either of the Managing Individuals resigns or is dismissed for cause, then that Management Seller shall have its entitlements to receive further payments of the Deferred Consideration or Earn-out Consideration reduced by an amount equal to the relevant Managing Individual's percentage ownership interest in that Management Seller.

The payment of each tranche of the Earn-out Consideration will be dependent on the achievement of financial performance criteria related to EBIT and will be calculated as follows:

- if EBIT in the relevant period is less than or equal to €2.00 million (the "EBIT Lower Hurdle"), the Earn-out Consideration for that period will be nil;
- if EBIT in the relevant period is more than or equal to €4.375 million (the "EBIT Upper Hurdle"), the Earn-out Consideration for that period will be €3.667 million; and
- if EBIT in the relevant period is greater than the EBIT Lower Hurdle but less than the EBIT Upper Hurdle, the Earn-out Consideration for that period will be calculated on a proportionate basis between nil and €3.667 million.

Any EBIT in excess of €4.375 million in any relevant period may be re-allocated to a preceding or following year (provided that only 50 per cent. of EBIT in excess of €6.375 million may be so re-allocated) and any additional Earn-out Consideration payable as a result will be payable in the year into which the excess EBIT was re-allocated.

2. Conditions

Completion is conditional upon Resolution 1 in the Notice of General Meeting (approving the implementation of the Acquisition) (the "Acquisition Resolution") being passed prior to the Long-stop Date. In the event that the General Meeting resolves not to approve the Acquisition Resolution, the Acquisition Agreement will automatically terminate.

If the Acquisition Resolution is passed at the General Meeting, the Company will be contractually obliged to proceed to completion of the Acquisition unless the Acquisition Agreement is otherwise terminated (see paragraph 5 of this Part 9).

Completion is currently expected to occur on or around 26 September 2017.

3. Conduct of NAVES' business prior to Completion

The Acquisition Agreement provides that, during the period prior to Completion, the Sellers will carry on the business of NAVES in the ordinary and usual course and will not take certain specific actions without the prior written consent of Braemar AcquisitionCo ("Covenants to Completion").

4. Seller warranties and indemnities

The Sellers have each provided Braemar AcquisitionCo with customary warranties, on a several basis, as to their title to, and capacity to sell, the shares in the capital of NAVES. In addition, each of the Sellers has provided Braemar AcquisitionCo with customary business warranties, on a joint and several basis, subject to financial and other limitations customary for a transaction of this nature.

The Sellers have each provided Braemar AcquisitionCo with an indemnity, on a joint and several basis, as to any liabilities arising out of interests previously held in certain entities and certain other matters.

On Completion, the Sellers will also be required to deliver a tax deed, which is intended to indemnify the Enlarged Group against any pre-completion tax liabilities of NAVES, subject to exclusions and limitations, as well as addressing the conduct of tax matters.

5. Termination of the Acquisition Agreement

The Acquisition Agreement provides that Braemar AcquisitionCo may terminate the agreement if, at any time on or before the date of Completion:

- Braemar AcquisitionCo becomes aware of a fact, matter or circumstance which constitutes a material breach of the warranties contained in the Acquisition Agreement as at the date of the Acquisition Agreement;
- the Sellers breach the Covenants to Completion; or
- an event occurs which has or could be reasonably expected to have a material adverse effect on the financial or business prospects of NAVES.

6. Convertible Loan Notes

The Convertible Loan Notes will be issued credited as fully paid, in amounts and integral multiples of €1.00 nominal value. The Convertible Loan Notes will bear interest from the date of issue to the relevant holders of the Convertible Loan Notes payable six months in arrears at a rate of three per cent. Interest will be payable (less any tax required by law to be deducted) in arrears with the first payment being due on the date falling six months after the date of issue of the Convertible Loan Notes, and each subsequent instalment being due on the date falling six months after the preceding instalment.

Holders of the Convertible Loan Notes and Braemar each have the right (subject to certain restrictions) to redeem the Convertible Loan Notes for cash at par any time after the second anniversary of the date of issue on three months' notice.

Holders of the Convertible Loan Notes have the right (subject to certain restrictions) to convert the Convertible Loan Notes into Ordinary Shares at any time after the date of issue at the following conversion price: (a) if the noteholder is a Management Seller, 390.3 pence per Ordinary Share (representing a 30 per cent. premium to the Reference Price); or (b) if the noteholder is a Non-management Seller, 450.3 pence per Ordinary Share (representing a 50 per cent. premium to the Reference Price). If Braemar suffers customary events of default then the conversion price is reduced to the following conversion price: (a) if the noteholder is a Management Seller, 360.2 pence per Ordinary Share (representing a 20 per cent. premium to the Reference Price); or (b) if the noteholder is a Non-management Seller, 420.3 pence per Ordinary Share (representing a 40 per cent. premium to the Reference Price).

The Convertible Loan Notes will be constituted pursuant to two Loan Note Instruments (one constituting Convertible Loan Notes to be issued to Management Sellers only and the other constituting Convertible Loan Notes to be issued to Non-management Sellers only) which are made on identical terms save for the conversion price, as noted above.

The Convertible Loan Notes will be non-transferrable other than with Braemar's written consent. No application will be made for the Convertible Loan Notes to be issued or dealt in on any stock exchange

7. Costs

Braemar AcquisitionCo and the Sellers have each agreed to pay the costs and expenses incurred by them in connection with the preparation, negotiation, entering into and completion of the Acquisition Agreement and all ancillary documents. Each party is responsible for their respective professional and other costs incurred. The consideration payable to the Sellers will be paid net of each Seller's share of the legal and professional advisers' fees and expenses incurred by NAVES in connection with the Acquisition.

8. Post-completion matters

A consultancy agreement with a term of up to five years will be entered into at Completion in respect of the services of both Managing Individuals.

Each of the Management Sellers, Mark Kuchenbecker and Axel Siepmann has agreed to be bound by certain non-compete and non-solicitation restrictive covenants contained in the Acquisition Agreement.

In addition, each of the Sellers has agreed not to dispose of any shares acquired pursuant to a conversion of the Convertible Loan Notes before the date which is two years after the date of the issue of the relevant shares other than in accordance with customary orderly market terms contained in the Acquisition Agreement.

The Non-management Sellers have agreed not to dispose of the Consideration Shares without the prior written consent of Braemar for a period of one year from the date of Completion.

PART 10

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

- 1.1 The Directors, whose names appear on page 7 of this document, and Braemar, each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and Braemar (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 In connection with this document and the Acquisition, no person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised.

2. INFORMATION ABOUT BRAEMAR

- 2.1 Braemar was incorporated and registered in England and Wales on 11 August 1988 under the Companies Act 1985 as a private company limited by shares with the name Sinord 14 Limited.
- 2.2 On 7 December 1988 Braemar changed its name to Seascope Shipping Holdings plc.
- 2.3 On 27 November 1997 shares in Braemar were admitted to trading to a premium listing on the Official List on the Main Market.
- 2.4 On 1 August 2002 Braemar changed its name to Braemar Seascope Group plc.
- 2.5 On 21 June 2007, Braemar changed its name to Braemar Shipping Services plc.
- 2.6 The registered office of Braemar is at 1 Strand, Trafalgar Square, London, WC2N 5HR where the telephone number is +44 (0)20 3142 4100.
- 2.7 The principal legislation under which Braemar operates is the Companies Act and the regulations made under that Act. The liability of the Shareholders is limited. Braemar does not have restricted objects and purposes in its memorandum and articles of association.

3. DIRECTORS' INTERESTS IN SHARES

- 3.1 As at 6 September 2017 (being the latest practicable date prior to the publication of this document), in so far as is known to Braemar, the interests of the Directors, their immediate families and those of any connected person (within the meaning of section 252 of the Companies Act), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held by another party, in the share capital of Braemar is as follows:

	<i>Number of Ordinary Shares</i>	<i>per cent. of issued Ordinary Share capital as at 6 September 2017</i>
James Kidwell	145,249	0.481
Louise Evans	Nil	Nil
David Moorhouse CBE	49,351	0.164
Alastair Farley	33,366	0.111
Jürgen Breuer	51,000	0.169
Mark Tracey	20,425	0.068
Lesley Watkins	Nil	Nil

- 3.2 As at 6 September 2017 (being the latest practicable date prior to the publication of this document) the following Directors held options over Ordinary Shares as follows:

	<i>Employee share scheme</i>	<i>Number of Ordinary Shares subject to award/option</i>	<i>Date of grant</i>	<i>Exercise price (p)</i>	<i>Date from which exercisable/Date of release</i>	<i>Expiry date</i>
James Kidwell	2017 SAYE	3,672	1 August 2017	245.04	1 August 2020	1 February 2021
	2014 LTIP	67,178	15 August 2014	–	14 August 2017	14 August 2024
	2015 LTIP	73,684	23 June 2015	–	23 June 2018	23 June 2025
	2016 LTIP	78,343	17 June 2016	–	17 June 2019	17 June 2026
	2015 DBP	12,923	22 June 2015	N/A	22 June 2018	N/A
	2016 DBP	16,403	27 May 2016	N/A	27 May 2019	N/A
Louise Evans	2017 SAYE	3,672	1 August 2017	245.04	1 August 2020	1 February 2021
	2015 LTIP	21,052	23 June 2015	–	23 June 2018	23 June 2025
	2016 LTIP	50,363	17 June 2016	–	17 June 2019	17 June 2026
	2016 DBP	7,811	27 May 2016	N/A	27 May 2019	N/A

- 3.3 Save as set out in paragraphs 3.1 and 3.2 above, none of the Directors or any person connected with any Director (within the meaning of section 252 of the Companies Act), had as at 6 September 2017 (being the latest practicable date prior to the publication of this document) any interest, whether beneficial or non-beneficial, in any of the share capital of Braemar or any of its subsidiaries, or any options over Braemar's shares.

4. MAJOR INTERESTS IN SHARES

- 4.1 As at 6 September 2017 (being the latest practicable date prior to the publication of this document), in so far as is notified to Braemar, the name of each person, other than a Director, who, directly or indirectly, holds 3 per cent. or more of the voting rights in Braemar and the amount of each such person's interest is as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>per cent. of issued Ordinary Share capital as at 6 September 2017</i>
Charles Stanley & Co.	2,384,025	7.90%
Chelverton Asset Management	1,850,000	6.13%
Hargreaves Lansdown	1,744,685	5.78%
Barclays Stockbrokers Limited	1,605,264	5.32%
JM Finn & Co	1,293,471	4.29%
Quentin Soanes	1,223,590	4.06%
TD Direct Investing	1,199,081	3.97%
Alan Marsh	981,513	3.25%

- 4.2 There are no differences between the voting rights enjoyed by the Shareholders described in paragraph 4.1 above and those enjoyed by any other Shareholder.

5. DIRECTORS' SERVICE CONTRACTS AND TERMS OF APPOINTMENT

5.1 *Executive Directors*

The remuneration paid to the Executive Directors for the financial year ended 28 February 2017 was as follows:

<i>Director</i>	<i>Date of contract</i>	<i>Notice period from the employer</i>	<i>Notice period from the employee</i>	<i>Annual salary/£</i>	<i>Bonus/£</i>	<i>Other benefits/£</i>
James Kidwell	20 June 2012	12 months	12 months	350,000	Nil	54,000
Louise Evans	5 May 2015	6 months	6 months	225,000	Nil	35,000

The Executive Directors' service contracts can be terminated by either party serving 12 months' written notice in the case of James Kidwell, or 6 months' notice in the case of Louise Evans.

5.2 *Non-executive Directors*

The remuneration paid to the Non-executive Directors for the financial year ended 28 February 2017 was as follows:

<i>Director</i>	<i>Annual fees/£</i>	<i>Date of appointment</i>	<i>Notice period</i>
David Moorhouse CBE	120,000	4 July 2014	1 month
Alastair Farley	53,000	4 July 2014	1 month
Jürgen Breuer	50,000	25 July 2014	1 month
Mark Tracey	43,000	25 July 2014	1 month

The Non-executive Directors' letters of appointment can be terminated by either party serving 1 months' notice.

There are no other provisions for the payment of benefits upon termination in the Non-executive Directors' letters of appointment.

6. RELATED PARTY TRANSACTIONS

No member of the Braemar Group has entered into any related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) during the period covered by the historical financial information contained in this document and up to the date of this document.

7. WORKING CAPITAL

Braemar is of the opinion that, after taking into account available bank and other facilities, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

8. SIGNIFICANT CHANGE

8.1 *Braemar*

There has been no significant change in the financial or trading position of the Braemar Group since 28 February 2017, the date to which the latest published financial information for the Braemar Group was prepared.

8.2 NAVES

There has been no significant change in the financial or trading position of NAVES since 31 December 2016, the date to which the financial information in Part 7 of this document was prepared.

9. MATERIAL CONTRACTS

9.1 *Braemar material contracts*

Set out below is a summary of each contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Braemar Group:

- (a) within the two years immediately preceding the date of this document and which are or may be material to the Braemar Group; or
- (b) which contain any provision under which any member of the Braemar Group has any obligation or entitlement which is material to the Braemar Group as at the date of this document.

Credit Agreement

Braemar and certain of its UK subsidiaries have entered into a revolving credit agreement with HSBC Bank plc as original lender (the “Lender”) dated 29 April 2016 as amended on 14 June 2016 and as further amended and restated by an amended and restatement agreement dated 6 September 2017 (the “Credit Agreement” and the latter agreement being the “Amendment and Restatement Agreement”) under which the Lender has granted a secured revolving loan facility for a maximum principal amount of £25.00 million (“Revolving Facility”).

The Revolving Facility must be used towards the general corporate and working capital purposes of the Braemar Group. The Revolving Facility is available in Sterling or Euros. It is also available for making permitted acquisitions, purchasing freehold properties, funding distributions in certain circumstances and refinancing other financial indebtedness. The Revolving Facility is repayable on the fifth anniversary of the date on which the Amendment and Restatement Agreement becomes effective. Each loan made under the Revolving Facility must be repaid on the last day of its interest period but may be redrawn to the extent there is availability under the Revolving Facility. The Revolving Facility will cease to be available one month before the fifth anniversary of the date on which the Amendment and Restatement Agreement becomes effective.

Interest is payable on the principal amount outstanding under each facility at 2 per cent. per annum plus LIBOR (or EURIBOR if a loan is drawn in Euros). Certain fees and expenses, including a commitment fee are payable by Braemar. The Credit Agreement requires Braemar to ensure that the following financial covenants are complied with: (1) Net Debt: Adjusted EBITDA to not exceed 2.5:1; and (2) EBITDA: Net Finance Charges to not be less than 4:1.

The Lender has the benefit of fixed and floating charges granted pursuant to a debenture granted by Braemar and certain of its subsidiaries in favour of the Lender which includes a legal mortgage over freehold and leasehold property and a fixed and floating charge over present and future assets in the UK (including book debts). In accordance with the Credit Agreement, if NAVES has earnings before interest, tax, depreciation and amortisation representing 5 per cent. or more of the Group EBITDA or has gross assets or turnover representing 5 per cent. or more of gross assets or turnover of the Group it will be required to accede to the Credit Agreement and certain other finance documents after the completion of the Acquisition and grant security in favour of the Lender.

Acquisition Agreement

Please see Part 9 (Terms and conditions of the Acquisition) of this document for a summary of the principal terms and conditions of the Acquisition Agreement.

Loan Note Instruments

Please see Part 9 (Terms and conditions of the Acquisition) of this document for a summary of the principal terms and conditions of the Loan Note Instruments.

9.2 **NAVES material contracts**

There are no contracts (not being contracts entered into in the ordinary course of business) entered into by NAVES:

- (a) within the two years immediately preceding the date of this document and which are or may be material to NAVES; or
- (b) which contain any provision under which any member of NAVES has any obligation or entitlement which is material to NAVES as at the date of this document.

10. LITIGATION

10.1 **Braemar**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Braemar is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past a significant effect on Braemar and/or the Braemar Group's financial position or profitability.

10.2 **NAVES**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Braemar is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past a significant effect on NAVES' financial position or profitability.

11. CONSENTS AND RELATED MATTERS

KPMG has given and not withdrawn its written consent to the inclusion in this document of its reports as set out in Parts 7 (Historical financial information on NAVES) and 8 (Unaudited pro forma financial information for the Enlarged Group) of this document and the references to its name, in the form and context in which they appear.

Stockdale, of Beaufort House, 15 St. Botolph Street, London EC3A 7BB, which is authorised and regulated by the Financial Conduct Authority, has given and has not withdrawn its written consent to the issue of this document with references to its name being included in it in the form and context in which they appear.

PwC, of 7 More London Riverside, London SE1 2RT has given and has not withdrawn its written consent to the issue of this document with references to its name being included in it in the form and context in which they appear.

12. DOCUMENTS ON DISPLAY

Copies of the following documents may be physically inspected at the offices of Braemar during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Circular up to and included the date of the General Meeting and for the duration of the General Meeting:

- the Articles;
- the audited accounts of NAVES for the financial periods ended 31 December 2014, 31 December 2015 and 31 December 2016;
- the Acquisition Agreement;
- the Loan Note Instruments;

- the Credit Agreement;
- this document and the Form of Proxy;
- the consent letters referred to in paragraph 11 of this Part 10 (Additional information);
- the report of KPMG LLP set out in Part 7 (Historical financial information on NAVES); and
- the report of KPMG LLP set out in Part B of Part 8 (Unaudited pro forma financial information for the Enlarged Group).

PART 11

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

Acquisition	the acquisition by Braemar AcquisitionCo of the entire issued share capital of NAVES.
Acquisition Agreement	the agreement dated on or about 7 September 2017 between, amongst others, the Sellers and Braemar AcquisitionCo setting out the material terms and conditions upon which Braemar AcquisitionCo proposes to acquire the entire issued share capital of NAVES.
Articles	the articles of association of Braemar.
Board	the board of directors of Braemar.
Company or Braemar	Braemar Shipping Services plc.
Braemar Group	Braemar and its subsidiaries at the date of this document.
Braemar AcquisitionCo	Braemar Financial Holdings Germany GmbH, a company registered in the Republic of Germany with company number HRB 146089 and with its registered office at c/o CMS Hasche Sigle Partnerschaft von Rechtsanwälten und Steuerberatern mbB, Stadthausbrücke 1-3, 20355 Hamburg, Germany.
Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in the City of London for the transaction of normal banking business.
Companies Act	the Companies Act 2006, as amended.
Completion	completion of the Acquisition in accordance with the terms of the Acquisition Agreement.
Consideration Shares	the 458,166 Ordinary Shares to be issued to the Non-management Sellers under the Acquisition Agreement.
Convertible Loan Notes	the unsecured convertible loan notes in the aggregate amount of €24.00 million to be created pursuant to the Loan Note Instruments.
Credit Agreement	has the meaning given to it in paragraph 9.1(b) of Part 10 (Additional Information) of this document.
CREST	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations).
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since).

CREST Member	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations).
CREST Participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended.
CREST Sponsor	a CREST Participant admitted to CREST as a CREST sponsor.
CREST Sponsored Member	a CREST Member admitted to CREST as a sponsored member.
DBP	the Company's Deferred Bonus Plan.
Deferred Consideration	together, the First Deferred Consideration and the Second Deferred Consideration.
Directors	the executive directors and non-executive directors of Braemar, whose names appear on page 7 of this document.
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules Sourcebook incorporated in the FCA Rules.
Earn-out Consideration	the earn-out consideration payable to the Management Sellers under the Acquisition Agreement.
EBIT	has the meaning given to it in the Acquisition Agreement.
EBITDA	earnings before interest, tax, depreciation and amortization.
Enlarged Group	Braemar and its subsidiaries, including the NAVES Group following completion of the Acquisition.
EU	the European Union.
Euros or €	the lawful currency of the European Union.
Euroclear	Euroclear & Ireland Limited, the operator of CREST.
Financial Conduct Authority or FCA	the Financial Conduct Authority of the United Kingdom.
First Deferred Consideration	the deferred consideration payable to all Sellers under the Acquisition Agreement.
Form of Proxy	the form of proxy for use at the General Meeting.
FSMA	the Financial Services and Markets Act 2000, as amended.
General Meeting	the general meeting of Braemar to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF on 26 September 2017 at 10.00 a.m., notice of which is set out in Part 12 of this document.
Initial Consideration	the consideration payable to the Sellers on completion of the Acquisition under the Acquisition Agreement.
KG	Kommanditgesellschaft, being a project finance method utilised in German ship financing, details of which are summarised in Part 6.
LIBOR	London inter-bank offered rate.

Listing Rules	in accordance with sections 73A(1) and 73A(2) of the FSMA, rules relating to admission to the Official List.
Loan Note Instruments	together: <ul style="list-style-type: none"> (a) the loan note instrument constituting €21.14 million of Convertible Loan Notes (which notes are to be issued to the Management Sellers only); and (b) the loan note instrument constituting €2.86 million of Convertible Loan Notes (which notes are to be issued to the Non-management Sellers only).
Long-stop Date	31 October 2017.
LTIP	the Company's Long-Term Incentive Plan.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing the Market Abuse Directive and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
Managing Individuals	Mark Kuchenbecker and Axel Siepman.
Management Sellers	Kersone Verwaltungsgesellschaft GmbH, Siepman & Cie Verwaltungen GmbH and NAVES Beteiligungsgesellschaft GmbH.
NAVES	NAVES Corporate Finance GmbH, a company registered in the Republic of Germany with company number HRB 114161 with its registered office at Domstraße 17, D – 20095 Hamburg.
NAVES Group	NAVES and its wholly-owned subsidiary, NAVES Corporate Finance Limited.
Non-management Sellers	Hanseatic LLC and Harbor Springs Verwaltungen GmbH.
Notice of General Meeting	the notice of the General Meeting contained in Part 12 (Notice of General Meeting) of this document.
Official List	the list maintained by FCA in accordance with section 74(1) of the FSMA for the purposes of Part VI of FSMA.
Ordinary Shares	ordinary shares of 10 pence each in the share capital of Braemar.
Overseas Shareholders	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom.
Pounds Sterling, Sterling or £	the lawful currency of the United Kingdom.
Prospectus Rules	in accordance with sections 73A(1) and 73A(2) of the FSMA, rules relating to offers of securities to the public and the admission of securities to trading on a regulated market.
PwC	PricewaterhouseCoopers LLP.
Reference Price	the average closing middle market share price of the Ordinary Shares for the 30 consecutive days prior to (but not including) 7 September 2017, being 300.2 pence.

Registrars	Capita Asset Services of PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.
Resolutions	the resolutions to be proposed at the General Meeting set out in the Notice of General Meeting.
SAYE	the Company’s Savings-Related Share Option Scheme.
Second Deferred Consideration	the second deferred consideration payable to Management Sellers only under the Acquisition Agreement.
Sellers	together, the Management Sellers and the Non-management Sellers and “Seller” means each of them.
Shareholder	a holder of Ordinary Shares from time to time.
Stockdale	Stockdale Securities Limited.
subsidiary	has the meaning given in section 1159 of the Companies Act.
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland.
US or United States or United States of America	the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia.
US Securities Act	the United States Securities Act of 1933, as amended.

All times referred to in this document are London times unless otherwise stated. Reference to the singular include the plural and *vice versa*.

PART 12

NOTICE OF GENERAL MEETING

BRAEMAR SHIPPING SERVICES PLC

(Incorporated in England and Wales with Registered No. 02286034)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Braemar Shipping Services plc (the “Company”) will be held at 10.00 a.m. on 26 September 2017 at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF (“Notice”) for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. THAT the proposed acquisition of the entire issued share capital of NAVES Corporate Finance GmbH (“Acquisition”) by a subsidiary of the Company on the terms and subject to the conditions contained in the Acquisition Agreement (as defined in the circular sent to shareholders of the Company together with the notice of general meeting, a copy of which is produced to the meeting and signed for identification purposes by the chairman of the meeting (the “Circular”)), and the associated and ancillary agreements contemplated by the Acquisition Agreement and/or described in the Circular, be and is hereby approved and the directors of the Company (or any duly constituted committee thereof) (“Board”) be authorised: (1) to take all such steps as the Board considers to be necessary or desirable in connection with, and to implement, the Acquisition; and (2) to agree such modifications, variations, revisions, waivers, extensions or amendments to any of the terms and conditions of the Acquisition and/or the Acquisition Agreement and associated and ancillary agreements contemplated by the Acquisition Agreement (provided such modifications, variations, revisions, waivers, extensions or amendments are non-material), as they may in their absolute discretion think fit.
2. THAT, subject to completion of the Acquisition, the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Act”) in substitution for all existing authorities:
 - a) to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (together “Relevant Securities”) up to an aggregate nominal amount of £1,005,691 (such amount to be reduced by the nominal amount of any equity securities (within the meaning of section 560 of the Act) allotted under resolution 2 (b) below in excess of £1,005,691); and
 - b) to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to a maximum nominal amount of £2,011,383 (such amount to be reduced by any Relevant Securities allotted or granted under resolution 2 (a) above), provided that this authority may only be used in connection with a rights issue in favour of holders of ordinary shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record date as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever,

provided that the authorities in resolutions 2 (a) and 2 (b) shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of these resolutions, except that the

Company may before such expiry make an offer or agreement which would or might require Relevant Securities or equity securities as the case may be to be allotted (and treasury shares to be sold) after such expiry and the directors may allot Relevant Securities or equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if the authority in question had not expired.

Dated 7 September 2017

Registered office: Braemar Shipping Services plc
One Strand
Trafalgar Square
London
WC2N 5HR

By order of the Board
Peter Mason
Company Secretary

Notes:

1. The right to attend and vote at the general meeting is determined by reference to the register of members. Only those Shareholders registered on the Company's register of members at close of business on 22 September 2017 (or, if the general meeting is adjourned, at close of business on the day two days prior to the adjourned general meeting), shall be entitled to attend and vote at the general meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the general meeting.
2. A copy of this notice of general meeting and other information regarding the general meeting, including information which the Company is required by section 311A of the Companies Act 2006 to publish in advance of the general meeting, can be accessed at www.braemar.com.
3. If you wish to attend the general meeting in person, you are requested to bring your admittance pass (which is attached to the Form of Proxy) with you to the meeting. On arrival at the general meeting venue, all those entitled to vote will be required to register. In order to facilitate these arrangements, please arrive at the general meeting venue in good time and have your admittance pass to hand. You will be given instructions on how to complete your poll card/vote on a show of hands at the meeting.
4. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a shareholder of the Company but must attend the meeting to represent you. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. To be valid, a duly completed proxy form, together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day).
6. Appointment of a proxy does not preclude you from attending the general meeting and voting in person. If you have appointed a proxy and attend the general meeting in person, your proxy appointment will automatically be terminated.
7. Unless voting instructions are indicated on the proxy form, a proxy may vote or withhold his vote as he thinks fit on the resolutions or on any other business including amendments to resolutions) which may come before the meeting. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes for or against a resolution.
8. Shareholders must inform the Company in writing of any termination of the authority of a proxy.
9. To change your proxy instructions you may return a new Form of Proxy using the methods set out above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a Form of Proxy received after the relevant deadline will be disregarded. Where two or more valid separate Forms of Proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
10. As an alternative to completing the hard-copy Form of Proxy, you can appoint a proxy electronically by logging onto www.signalshares.com. You will need to enter the Investor Code shown on your proxy form and to agree to certain terms and conditions. Full details of the procedure are given on their website. For an electronic proxy appointment to be valid, your appointment must be received by 10.00 a.m., on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day).

11. CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the general meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) no later than at 10.00 a.m. on 22 September 2017 (or not less than 48 hours before the time fixed for any adjourned meeting, excluding any part of a day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST Members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same shares.
16. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under MAR and the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any Shareholder holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under MAR and the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
17. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless: (1) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (2) the answer has already been given on a website in the form of an answer to a question; or (3) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
18. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): (1) you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting; (2) if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and (3) your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
19. Copies of the service agreements and letters of appointment between the Company and its Directors and a copy of the existing Articles will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to and during the meeting.
20. As at 6 September 2017, being the last practicable day prior to the publication of this notice, the Company's issued share capital consisted of 30,173,759 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at that date were 30,173,759.
21. You may not use any electronic address provided either in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

