



BRAEMAR

A new strategy centred on Shipbroking

March 2021

Profit Upgrade

Net debt down by 40%

Integration of Naves into Shipbroking

Joint venture planned between Cory and Vertom

Shipbroking the focal point of new strategic direction

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Braemar uses alternative profit measures ("APMs") as key financial indicators to assess underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information to investors and other interested parties. Our APMs include underlying operating profit and underlying basic earnings per share. Explanations of these and their calculations are shown in details in our annual report.

Presentation team



James Gundy
Group CEO



Nick Stone
COO & Finance Director



Tris Simmonds
MD – Braemar Atlantic
Securities



Henry Curra
Global Head of Research



Axel Siepmann
MD – Braemar Naves

Braemar Refocused



Braemar has a new leadership team & new direction
CEO James Gundy



Refocusing on core Shipbroking
– **Strong track record of growth over last five years**



Simplification of business lines and strengthened balance sheet
– **all key indicators coming together**



Global economic recovery
– **Positive for the Shipping industry**



Agenda

Braemar today

- Actions already taken to simplify & refocus the business
- Successful shipbroking track record

Shipping market drivers

Strategy for future growth

Trading Update

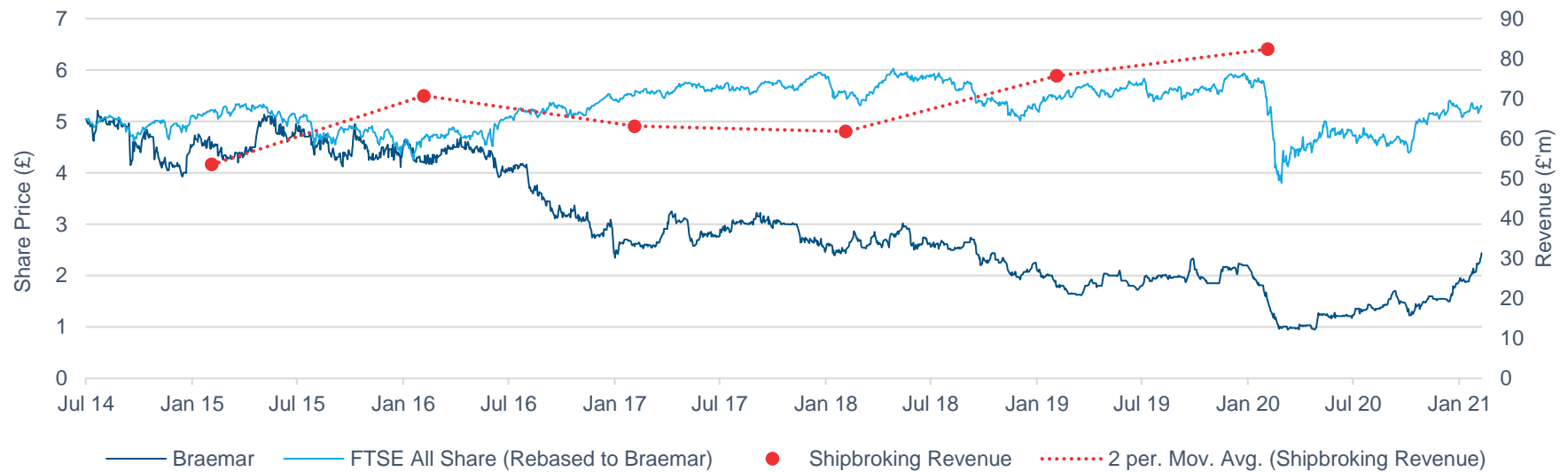
Summary

Q&A



The need for change

– underperforming share price



£5 down to below £1:

- 'Maritime Services' strategy delivered inadequate returns for shareholders
- A clear need for change

Action already taken

A simplified and focused Group with stronger balance sheet

2019

Shipbroking

Logistics

Financial

Technical
Services

June 2019 – Disposal of Technical Services



February 2020 – Total debt £30m



January 2021 – Sale of 50% of AQB shares for £6m



February 2021 – Agreement to integrate Naves into Shipbroking



Q1 2021 - Disposal of Wavespec



2021 - Cory/Vertom JV

Total debt reduced to £18m

2021

Shipbroking
(inc Naves)

~10% investment
in AQB
(worth c.£6m today)

Vertom/Cory joint
venture

Shipbroking Business Model

Chartering

- Commission on freight paid for single voyages and longer-term charter-hire
- Income rises as freight market improves

Sale & Purchase

- Commission on value of assets bought or sold (second hand, newbuilding and recycling)
- Income rises as asset values rise

Valuation

- Fees for valuing ships / fleets
- Income rises as more ships are valued

Securities

- Commission on volume of paper contracts traded (freight, coal etc.)
- Income rises as volume of paper traded increases – often in tandem with market volatility

Corporate Finance

- Commissions are earned for arranging vessel finance with suitable lenders and can be paid by lenders or owners
- Fees for providing advisory and restructuring services

Structured deals – single deals combine several elements of commission and fee-generating business

The increasing strength of Braemar Shipbroking

- Global shipbroker since 1971
- Braemar merged with ACM in 2014 to form BraemarACM and hasn't looked back since
- Growth in revenue, revenue per head and profits
- Diversification of broking desks

2015/16

c.390
employees

£54m
revenue

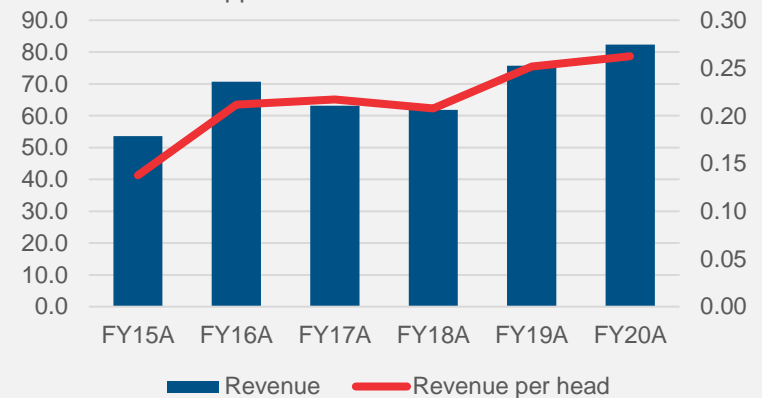
2019/20

c.315
employees

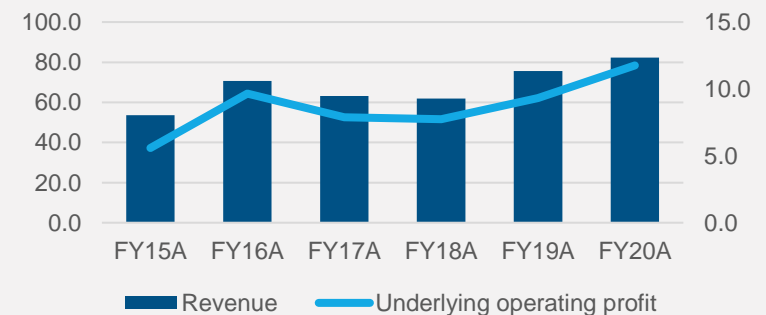
£82m
revenue

Revenue & Revenue Per Head* (GBP'm)

*inc. support staff



Revenue & Underlying Operating Profits (GBP'm)



Successful shipbroking growth strategy since 2014

A more balanced portfolio with less reliance on Tankers - Braemar name attracting top industry talent & key personnel

Organic growth – talent management

2018 Acquisition of Atlantic – immediate add on of Dry Freight Forwarding Agreements (FFAs) desk, now comprising 10 man team in London & Dubai

- Headed by Tris Simmonds – now part of Exec Committee and leading technology investment initiative

New strategic senior management hires – heads of department

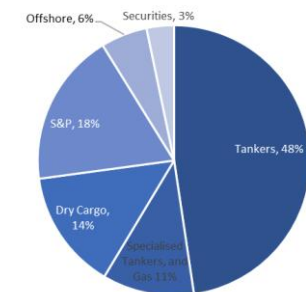
- David Collins, head of tankers led to Geneva/Lightship team joining
- Paul Osgood, head of specialized tankers – growth in Singapore, Dubai
- Vaughan English, MD of APAC – added strategic strength to Singapore & region
- Ben Bates/Dean Humphreys – heading up Dry Cargo in London

Joint Venture in wet FFAs with GFI – continues to grow market share

Opening of new offices in Geneva and Athens

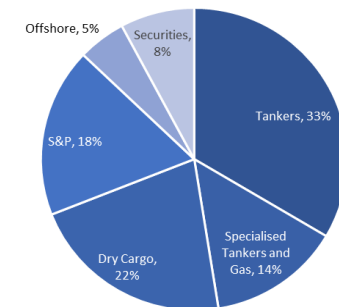
FY2015/16

£54m revenue



FY 2019/20

£82m revenue



Global reach – Shipbroking & Cory Brothers

Shipbroking

- London
- Aberdeen
- Mumbai
- Houston
- Athens
- Dubai
- Singapore
- Beijing
- Shanghai
- Perth
- Melbourne
- Sao Paulo
- Geneva
- Hamburg

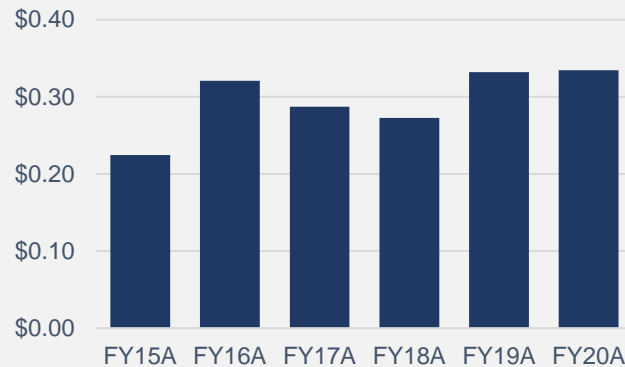
Cory

- Ipswich
- Liverpool
- Houston
- Singapore

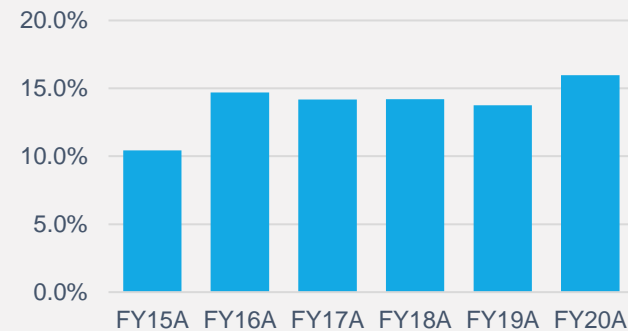


Key Performance Indicators

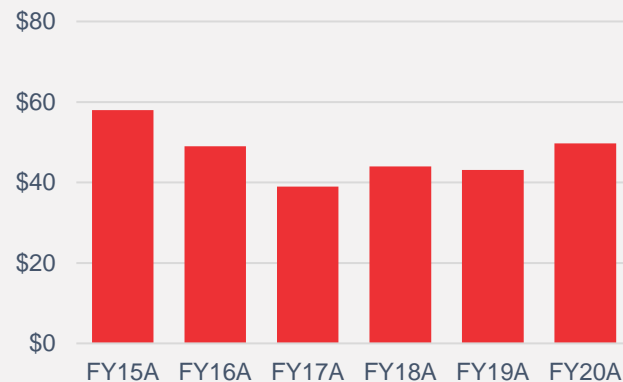
Revenue Per Head (\$'m)



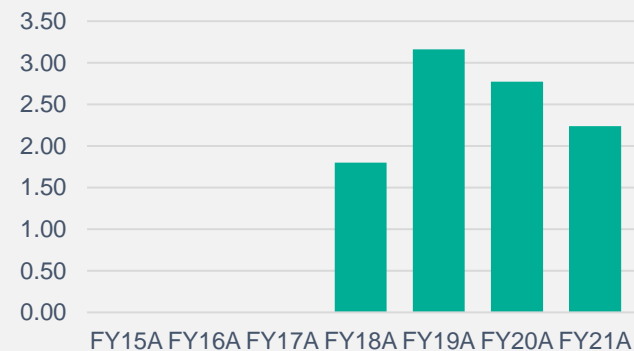
Underlying Operating Profit Margin (%)



Forward Order Book (\$'m)



Total Leverage Debt Ratio Annual Average

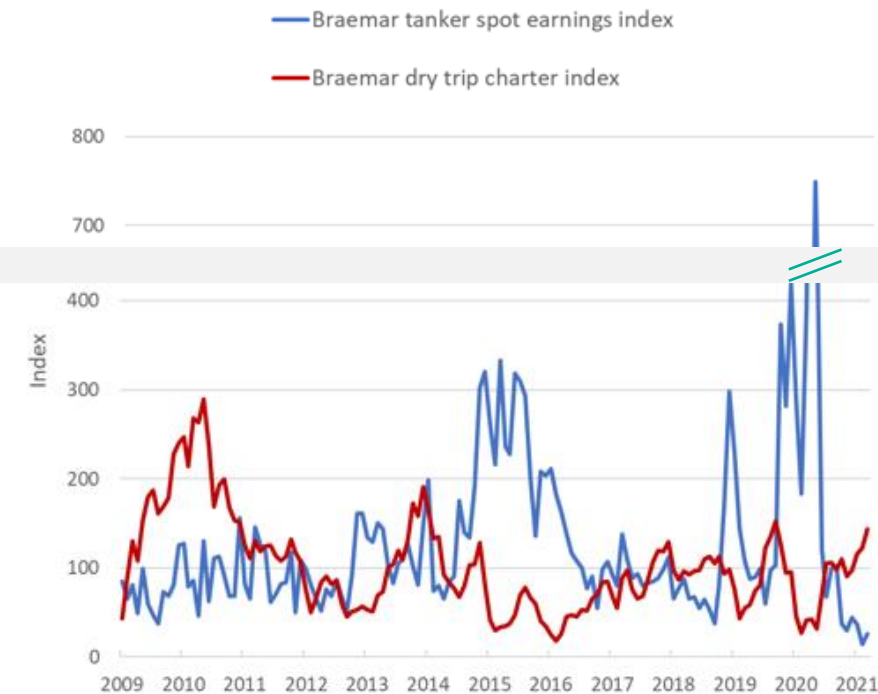


Note: Shipbroking data only apart from leverage ratio

Shipping market drivers

Strengthening balance between shipping supply and demand

Bulk shipping freight market



Source: BraemarMarkets

Braemar shipbroking covers most shipping markets. Main contribution from dry cargo (bulkers) and tankers

Freight markets are extremely volatile, strongly cyclical

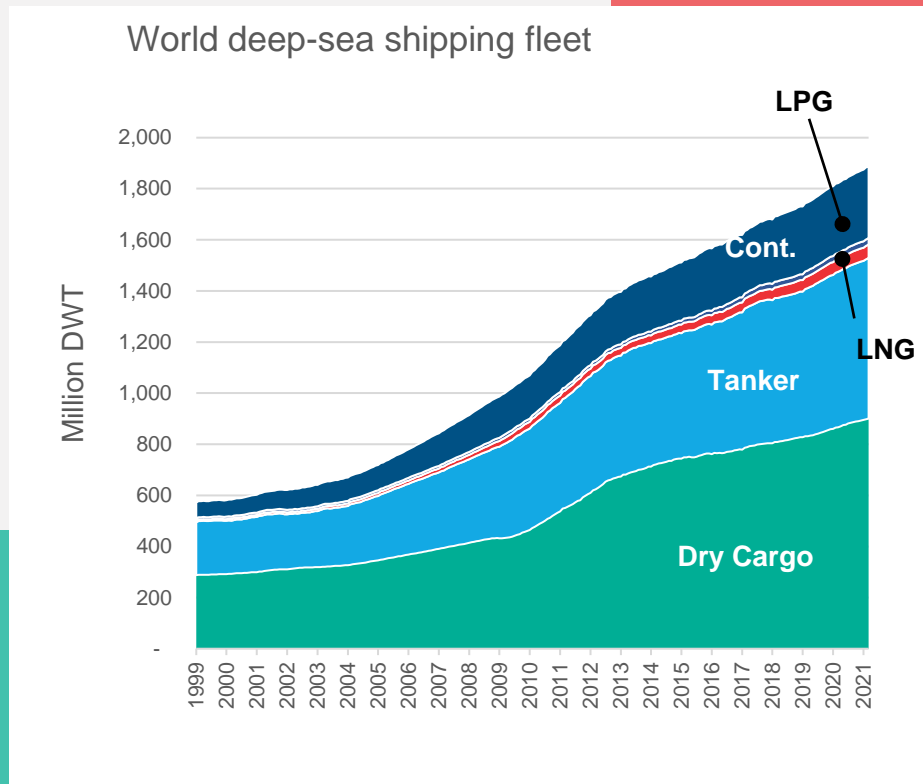
Dry market is often strong when tanker market is weak, and vice versa

Strong freight markets benefit all shipbroking activities

Tanker markets hit disproportionately by Covid-19; Dry bulk market driven today by Chinese recovery

Shipping market drivers

Shipping demand has doubled since the financial crisis



Source: BraemarMarkets

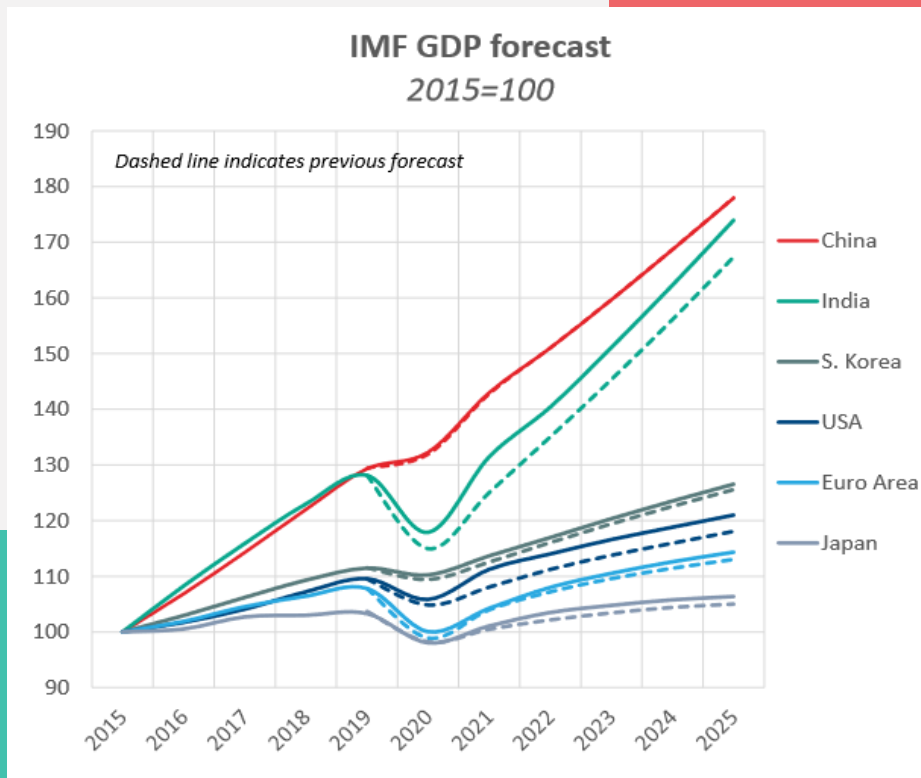
Demand for shipping has doubled in the past decade

Larger fleets increase opportunities for shipbroking sector

Trade growth broadly follows the economic growth of key importing nations

Shipping market drivers

Economic recovery underway



Source: IMF

Chinese economic growth has barely missed a beat

Chinese and other East Asian imports are the key drivers of tanker and bulk demand

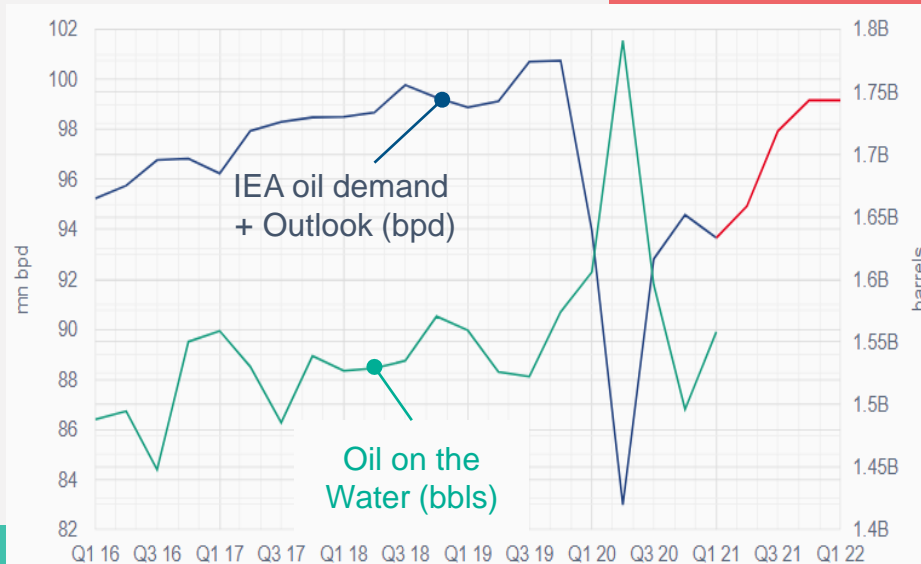
Chinese government stimulus, focused on construction, requires mineral ores and oil imports

IMF forecasts Chinese economic growth will remain strong

Centre of gravity continues to shift East

Shipping market drivers

Tanker demand is recovering fast



Tanker market weakness today is expected to be short-lived as oil demand recovers and OPEC opens its taps

The IEA expects oil demand to recover quickly compared to post financial crisis

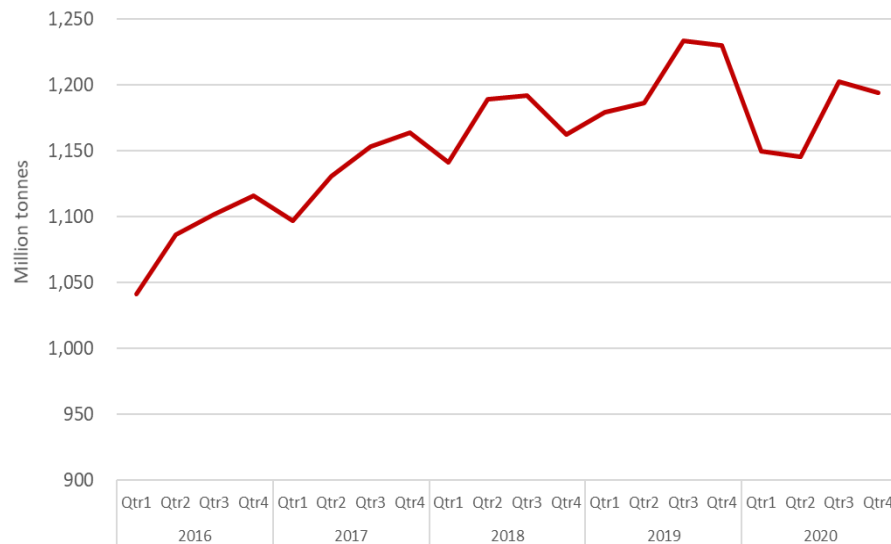
Tankers were, once again, protected from the worst of recent demand destruction

Source: BraemarMarkets

Shipping market drivers

Dry Cargo demand has proved more stable through the Covid-19 crisis

Global Dry Cargo Imports



Dry bulk demand has been shielded from the pandemic thanks to stimulus spending – particularly on infrastructure projects

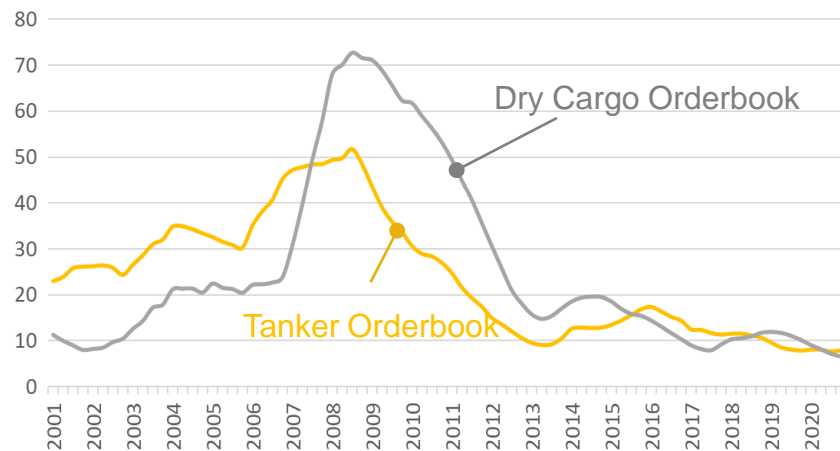
Strong Chinese economic growth and population expansion are key supports to bulker demand

Source: BraemarMarkets

Shipping market drivers

Historically limited ordering of new ships bodes well for stronger markets

% of fleet on order



Strong freight markets rely on demand for shipping outpacing its supply

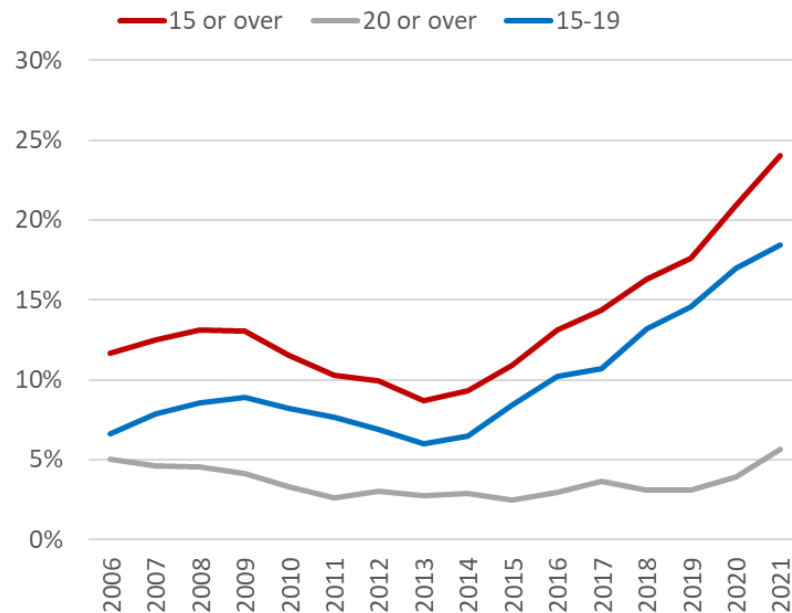
Today's small inventory of newbuilding projects is a strong market signal

Source: BraemarMarkets

Shipping market drivers

Older vessels becoming obsolete

Age of tanker fleet in years (as % of capacity)



**fleet over 10k dwt includes tankers, containers bulkers, gas carriers*

Source: BraemarMarkets

Another strong signal is the rapidly ageing world fleet

Many charterers are looking for younger, more efficient vessels – hastening the exit of older units

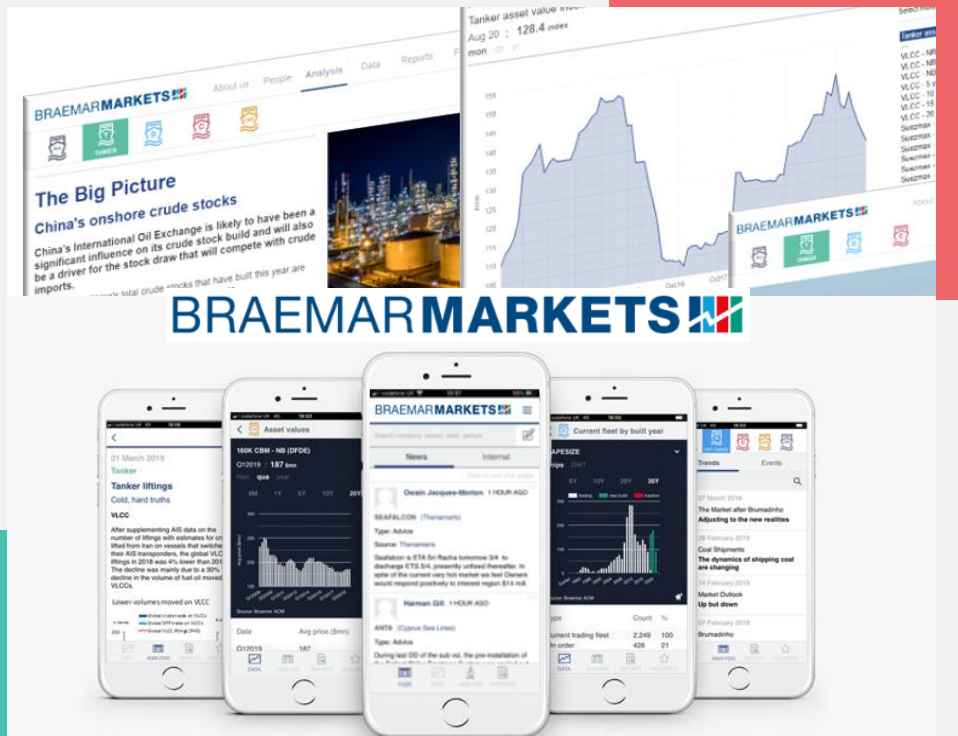
ESG increasingly influential in ship finance and chartering markets

New buildings are needed to replace older ships as they leave the fleet

Market Intelligence Platform

BraemarMarkets.com

Reports, analysis and data



Future Direction

Growth Opportunities

Grow Shipbroking capability and breadth by

- strategic acquisitions of talent and new desks
- increasing our market share
- technology driven innovation
- closer integration of Braemar Naves

Grow Cory in conjunction with Vertom in new JV

Increase US presence

- new shipping routes for oil exports and grain, bio-fuels and LNG trading

Widen securities/derivatives capability

- in support of physical desks

Offshore renewables

- replacement for declining offshore oil industry

Carbon offsetting

- supporting the industry wide drive

Future Direction

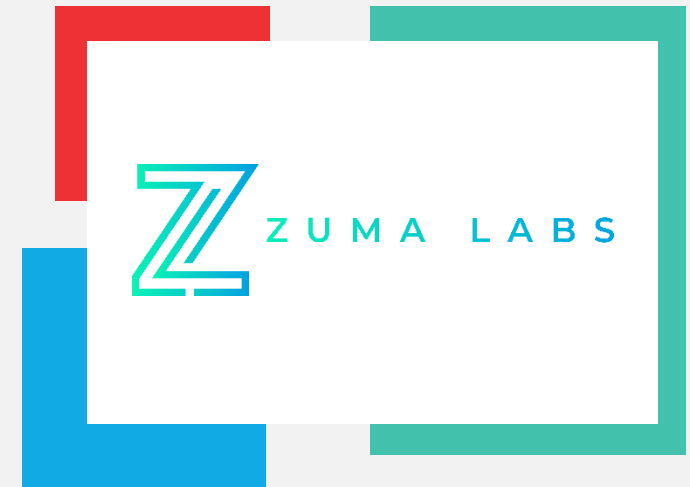
Growth Opportunities

Technology Innovation

- A Strategic Investment in technology via our joint venture with Zuma Labs
- To provide a comprehensive solution for all of our businesses.
- To improve workflow and access to markets
- To have the most complete set of data accessible in the shipping market

Projects completed so far -

- A messenger aggregating software tool
- The 'Venetian' platform for external and internal price sharing
- 'Squawk' an open line voice technology service for trading desks
- A trading platform for Dry FFA front end execution and analysis with direct access to exchange clearing
- Development of new pricing models and forward contracts for LPG



Braemar Naves' Strategy

Closer integration with other Braemar broking desks



Serve as Braemar's German S&P office



Stronger focus on M&A advisory with three current JV/company disposal mandates



Strengthen Greek presence through establishment of Greek office



Stronger integration with ship broking leading to additional financing mandates

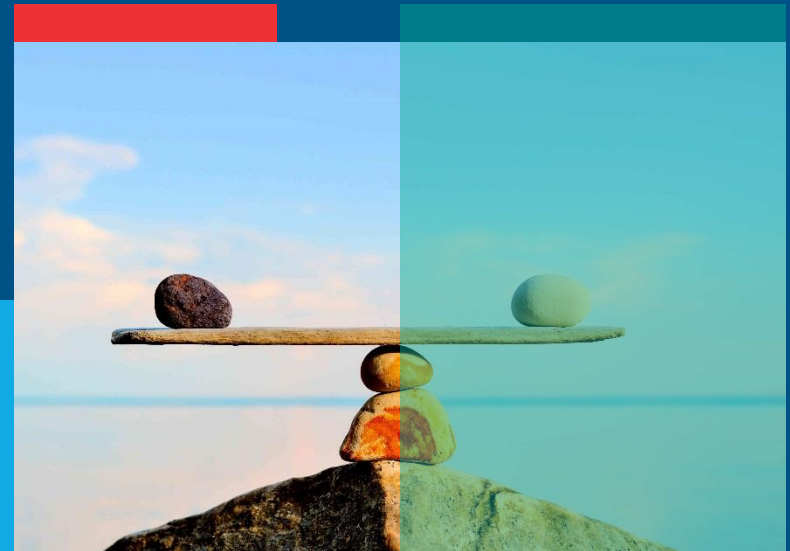


Mid term: expand footprint in the renewable energy business, which has a strong footprint in Germany



Cory Vertom Joint Venture proposals

- ✓ Joint port agency and freight forwarding operations
- ✓ Two existing JVs together for ~10 years
- ✓ Complementary cultures and values
- ✓ Initially working together on profit sharing basis
- ✓ Cost and operational synergies
- ✓ Broader European and Global coverage
- ✓ A stronger business together promoting quicker growth



Vertom Agencies Group BV is part of a privately owned ship owning, charterer and agency business based in the Netherlands, established in 1974

Current Trading and Outlook

“A new strategy centred on Shipbroking”

Ahead of expectations for 20/21

- Shipbroking ahead of expectations for 20/21
 - Strong first half for Tankers and second half for Dry Cargo and S&P
 - USD revenue growth expected in 21/22 but will be hit by current exchange rates
- Logistics ahead of market expectations for 20/21
 - Strong Agency trading and some benefit from Brexit
 - Freight forwarding growth and continuing Brexit dividend expected in 22/22
- Naves slightly behind market expectations but expecting much stronger 21/22
- Net debt down to £18m from £30m at 29 February 2020
- Debt/EBITDA ratio of 1.5 times targeted before resumption of dividend

Full year results due - 3 June 2021

Recruitment of new Chairman progressing well

Summary

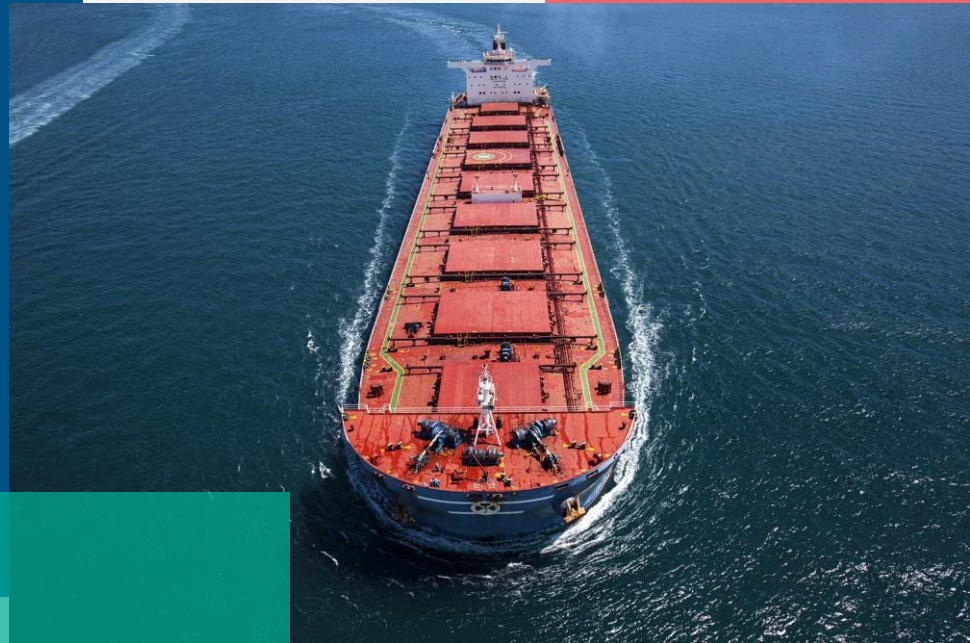
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Net debt down by 40%

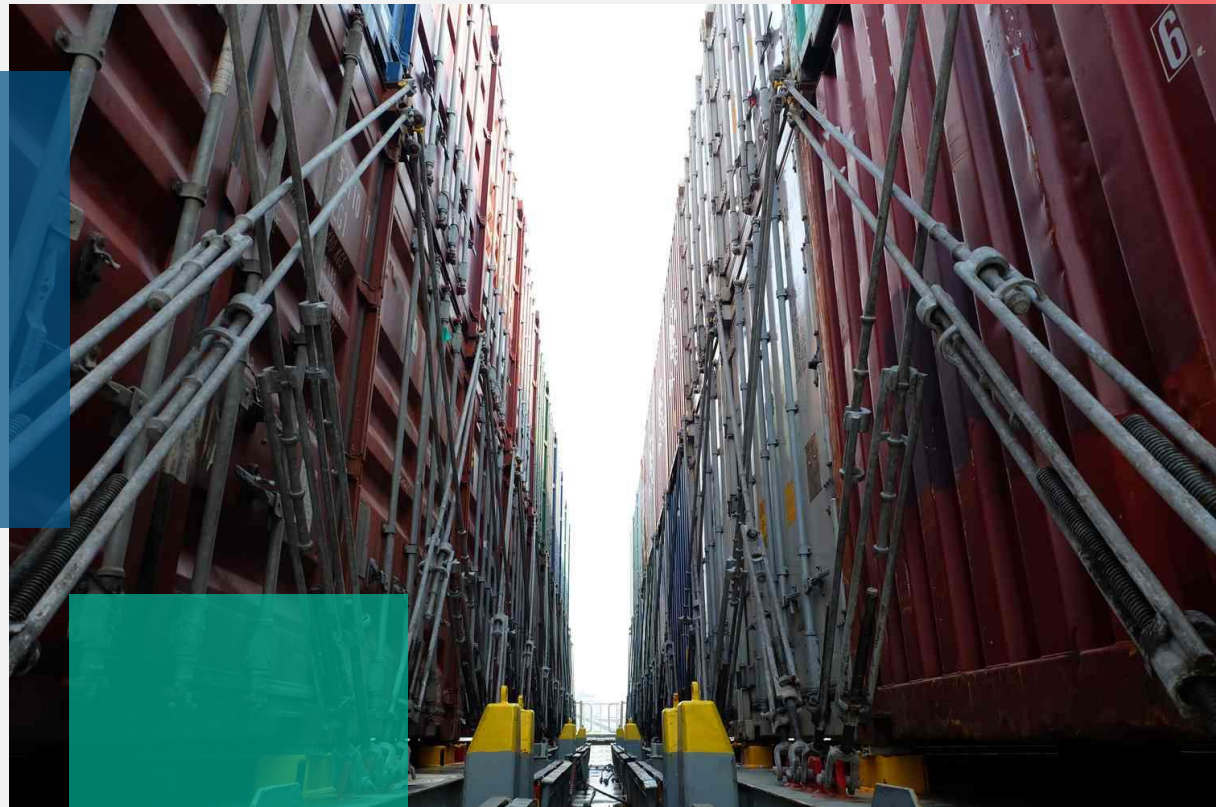
Integration
of Naves into Shipbroking

Joint venture planned between
Cory and Vertom

Shipbroking the focal point of new
strategic direction



Q&A



BRAEMAR

An aerial photograph of a large container port. In the foreground, a massive container ship is docked, its deck covered with stacks of colorful shipping containers. Several large blue gantry cranes are positioned along the ship's length. The background shows a vast expanse of water and distant mountains under a clear sky. The image is divided into three vertical panels with different color tints: blue on the left, purple in the middle, and light blue on the right.

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