



**Creating a leading adjusting, marine,
offshore and renewable consultancy**

*Combining Aqualis ASA with three
complementary business lines from
Braemar Shipping Services PLC*

aqualis.no

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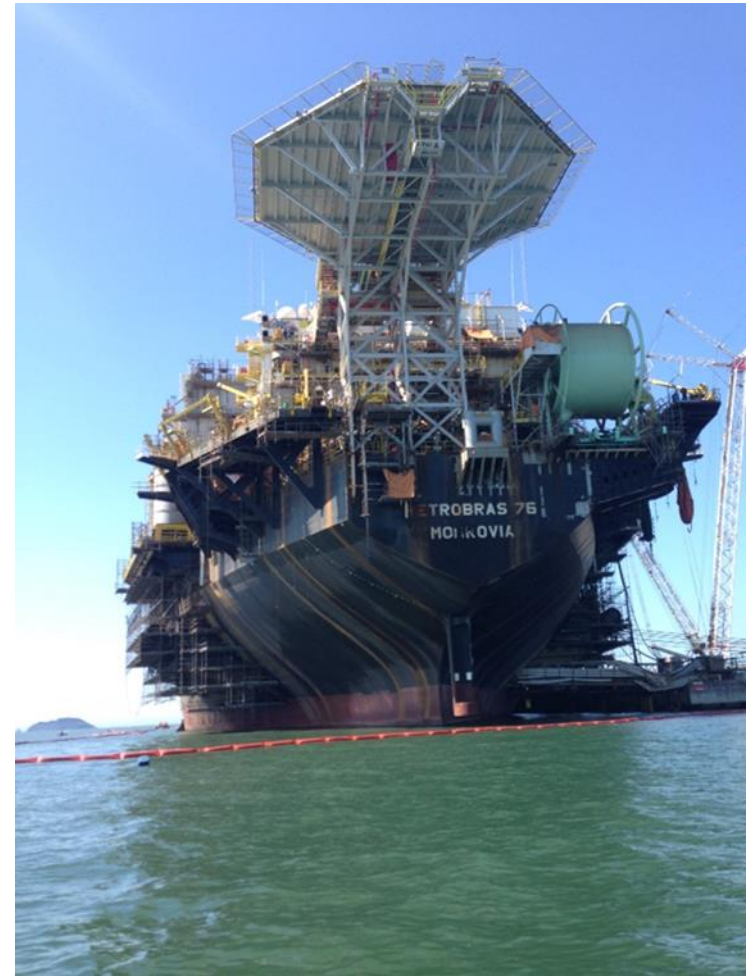
Summary



- Aqualis ASA (“Aqualis”) and Braemar Shipping Services PLC (“Braemar”) has entered into an agreement to combine Aqualis with the majority of Braemar’s Technical division
 - Aqualis to acquire Braemar’s Offshore, Marine and Adjusting business lines
 - Braemar to become up to 33% shareholder in Aqualis
 - › Initial shareholding of 26%, potentially increasing to 33% depending on business performance
- Aqualis proposes fully underwritten equity issue of approximately USD 6 million to expand liquidity buffer during integration phase
 - Of which USD 2 million will be provided by Braemar
- Closing of the transaction expected in June 2019, subject to Aqualis shareholder approval

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Creating a leading adjusting, marine, offshore and renewable consultancy

Combining two complementary organizations – significant synergies

AQUALIS

Energy consultancy with
strong market niche
positions

AQUALIS
+
BRAEMAR
TECHNICAL

Carve-out¹

BRAEMAR
TECHNICAL

More than a century of
experience

Creating an adjusting, marine, offshore and
renewable consultancy powerhouse

Revenue²:
USD 76.0m

Adj. EBITDA^{2,3}:
USD 2.9m

Employees⁴:
432

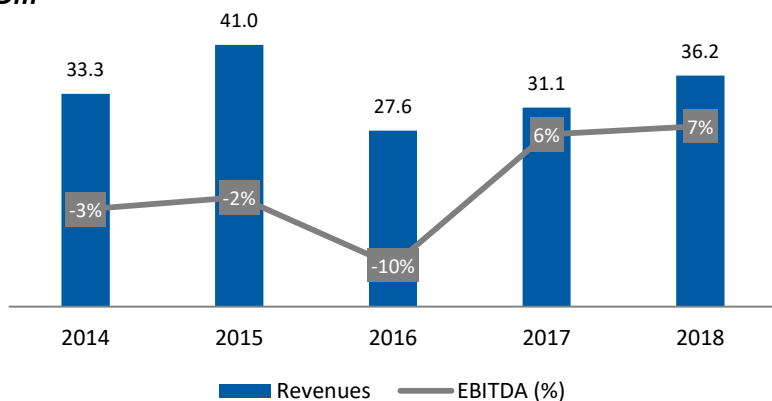
Aqualis – set for expansion

Company description

- Aqualis provides consultancy and engineering services to the offshore oil & gas and offshore wind sectors through two brands:
 - Aqualis Offshore (Offshore Oil & Gas)
 - Offshore Wind Consultants (Renewables)
- Clients include owners of offshore installations and vessels, utilities, EPC contractors, financial institutions and insurance companies
- Global office network consisting of 19 offices in 15 countries¹
- 187 employees (incl. subcontractors)²
- The company was listed on Oslo Stock Exchange in 2014

Key financials

USDm



Two leading brands within core operations

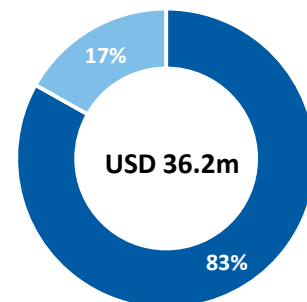
AQUALIS
OFFSHORE

Marine consultancy and engineering services



Engineering and project management consultancy

Sales by division²



■ O&G ■ Renewables

Global presence – Local champion in Middle East³

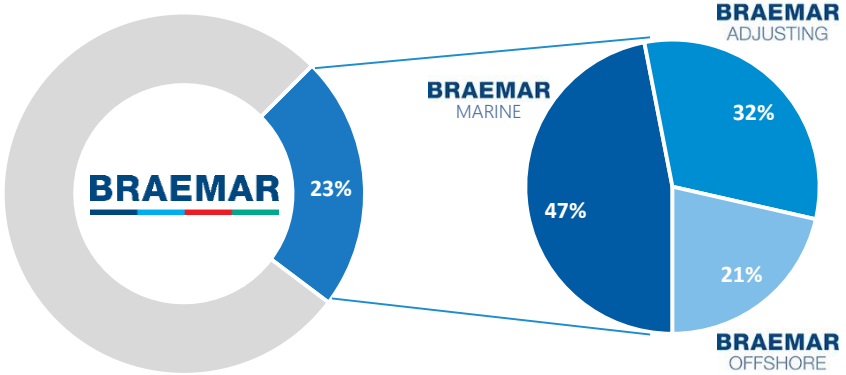


Braemar Technical – ready for a new voyage

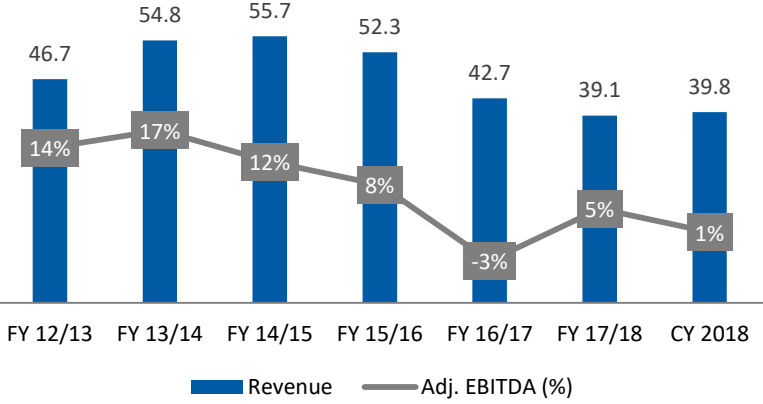
Overview of business units included in the transaction

- The transaction comprises three business lines from Braemar’s technical division:
 - Offshore
 - Marine
 - Adjusting
- A solid brand name with long heritage - Braemar entities has been operating in the markets for more than 150 years
- Global office network consisting of 42 offices in 27 countries¹
- 245 employees (incl. subcontractors)²
- The three divisions to be acquired are referred to as Braemar Technical in this presentation

The carve-out represents around 23% of Braemar’s revenue²



Key financials for divisions included in the transaction²



Global presence – Local champion in Far East³



7 Notes: (1) Including home offices and consultant offices (2) Employees as at 31 March 2019; (2) Braemar’s financial year runs from March to February, i.e. FY 17/18 is March 2017 to February 2018, CY= calendar year, i.e. Jan- Dec ; (2) dots represent offices



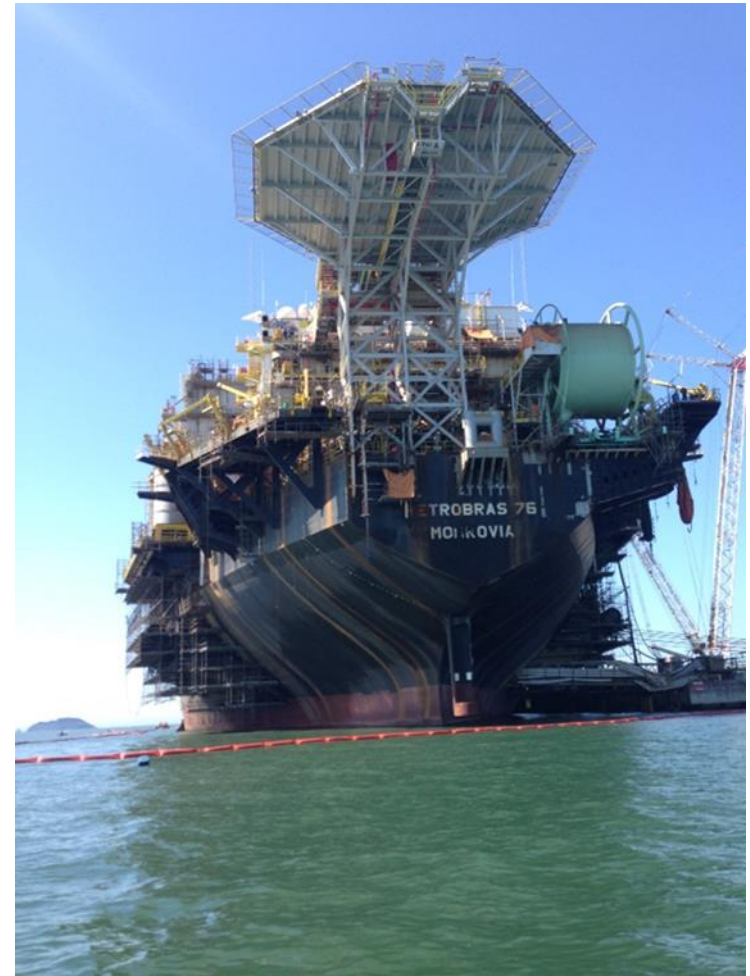
A compelling strategic combination



- I **Broader service offering and increased scale – a stronger partner for clients**
- II **Combining two highly complementary businesses – building on unique strengths of both organizations and brands**
- III **Strengthened global presence**
- IV **Unlocking significant synergies**
- V **Becoming an even more attractive employer**
- VI **New major shareholder with industrial perspective**

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Transaction overview

- Aqualis to acquire 100% of the shares in Braemar Technical Services Holdings Limited (the holding company for Braemar’s Offshore, Marine and Adjusting business lines), against the issuance of new shares and warrants in the combined company
- The maximum shareholding of Braemar in the combined company if all warrants are issued and exercised in full is 33%
 - Consideration Shares: Braemar will receive shares representing an ownership of 26% in the combined company (14.9m shares)
 - Warrants: Braemar will receive warrants that will potentially increase Braemar’s ownership with up to 7 percentage points (up to 6.0m warrants) depending on business performance¹
 - 50% of the Warrants will be based on the combined company’s EBITDA (the “Tranche 1 Warrants”)¹
 - 50% of the Warrants will be based on the gross profit of the Marine and Adjusting segments (the “Tranche 2 Warrants”)¹
- Closing of the transaction is expected in June 2019, subject to customary closing conditions and approval by Aqualis shareholders at a general meeting expected to be held on or about 11 June 2019
- Aqualis to propose expanding Board of Directors to 5 members and to nominate Braemar CEO James Kidwell as board member
- Aqualis to be renamed AqualisBraemar ASA with effect from completion of the transaction

Pro-forma top 10 shareholders			
<i>Including Consideration Shares, excluding warrants</i>			
#	Shareholder	Shares	%
1	Braemar Shipping Services plc	14.9m	26.0%
2	Gross Management AS	7.4m	12.9%
3	Carnegie Investment Bank AB	2.7m	4.7%
4	Tigerstaden AS	1.9m	3.3%
5	Danske Bank A/S	1.7m	3.0%
6	MP Pensjon PK	1.5m	2.6%
7	Lgt Bank AG	1.4m	2.5%
8	Oma Invest AS	1.4m	2.4%
9	Saxo Bank A/S	1.3m	2.3%
10	Badreddin Diab	1.0m	1.8%
Top 10 shareholders		35.1m	61.1%

(Based on shareholder list as of 8 May 2019)

10 Notes: (1) The warrants will vest if certain conditions are met during a 2 year measurement period starting 1 April 2019. If the “ceiling” is met, all warrants in that category will vest. If the “floor” is not met, no warrants in that category shall vest. Anything in between: The number of warrants to vest shall be reduced proportionally. Tranche 1 Warrants performance condition: The combined group’s average annual EBITDA over 2 years, with a performance floor of USD 4.5m and ceiling of USD 7.5m for min/max vesting. EBITDA to exclude one-off costs. Tranche 2 Warrants performance condition: The average annual aggregate Gross Profit for the Marine and Adjusting segments over 2 years, with a performance floor of USD 12.6m and a ceiling of USD 14.3m for min/max vesting.

Proposed equity issues and timeline

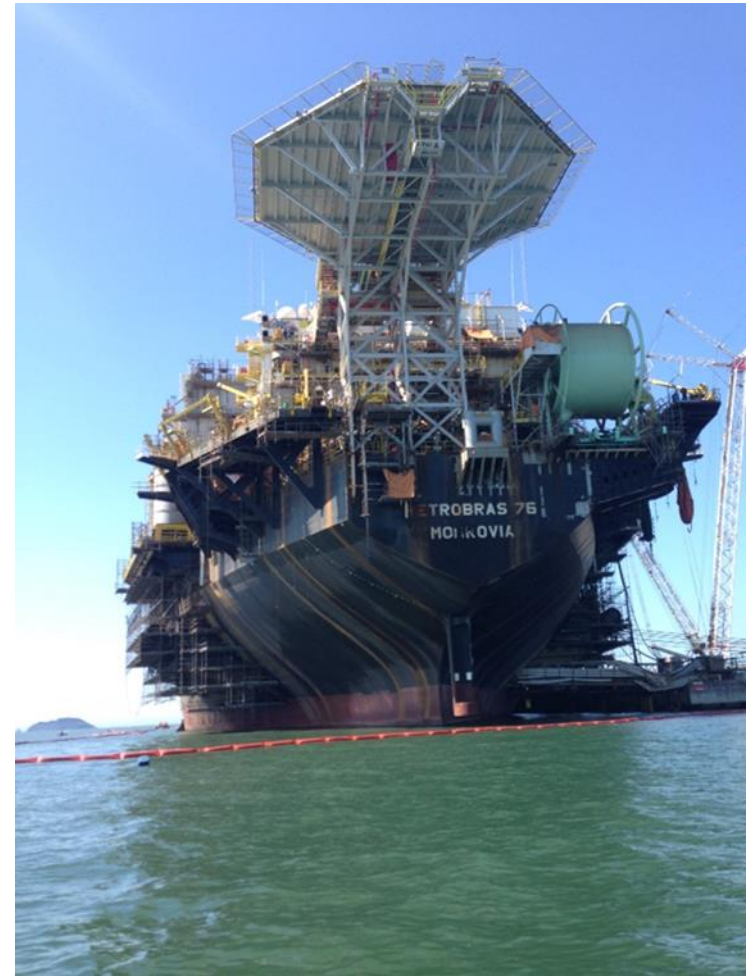
- Following completion of the transaction, the company intends to carry out a equity issue to expand its liquidity buffer during the integration phase
- Total size of approximately USD 6 million divided into a private placement and a rights issue, described as follows:
 - i. A private placement of approximately USD 2 million directed towards Braemar, to maintain its potential ownership of 33% in the combined company¹
 - ii. A rights issue of approximately USD 4 million directed towards Aqualis' existing shareholders
- The equity issues are fully underwritten
 - Braemar has entered into a binding pre-commitment to subscribe for the full amount of the private placement, subject to the completion of the transaction and the rights issue
 - The rights issue is fully underwritten by Gross Management AS and certain other shareholders
- Price in the Private Placement and the Rights issue to be the same and will be announced prior to Aqualis' AGM to be held on or about 11 June 2019

Timeline	
Event	Expected timing
Announcement of transaction	13 May
Aqualis AGM	On or about 11 June
Closing of transaction	June
Prospectus published	Late June
Rights issue subscription period	July
Settlement, equity issues	July

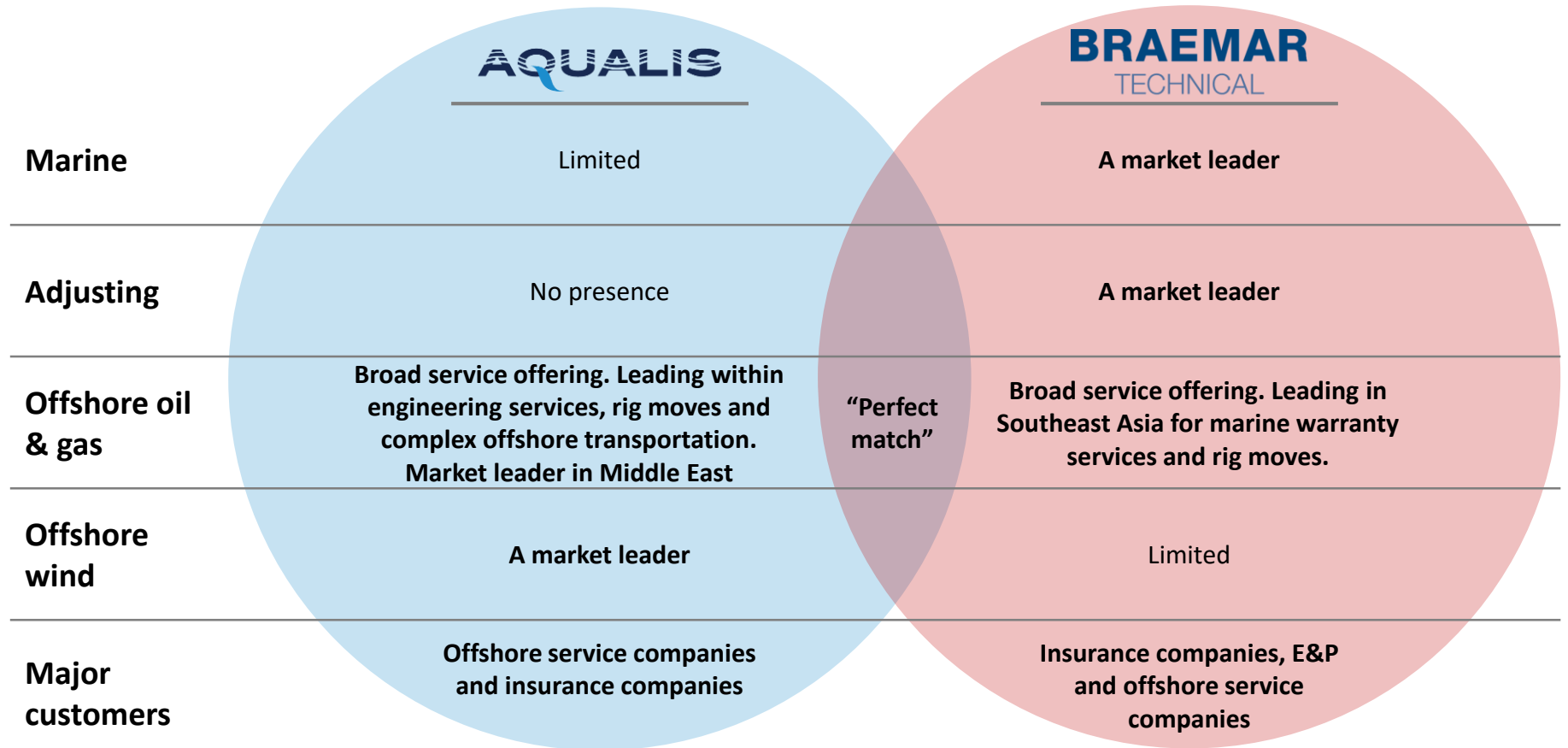
11 Notes: (1) Braemar will receive initial consideration shares representing 26% of the company. In addition, Braemar will receive warrants that could potentially increase their ownership to 33%. Please see page 10 for more information

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Combination of two complementary businesses



Strong combined service offering

■ Aqualis revenue¹ (USDm)
 ■ Braemar Technical Revenue¹ (USDm)



Offshore Oil & Gas

- Specialist offshore engineering and consultancy services to the offshore oil and gas industry
- Construction supervision, transportation and installation, decommission projects, inspections & approvals, engineering services, etc.



Marine

- Worldwide emergency casualty, accident or incident response and international marine survey services
- Hull & machinery surveys, causality investigations, risk assessment, cargo and damage surveys, etc.



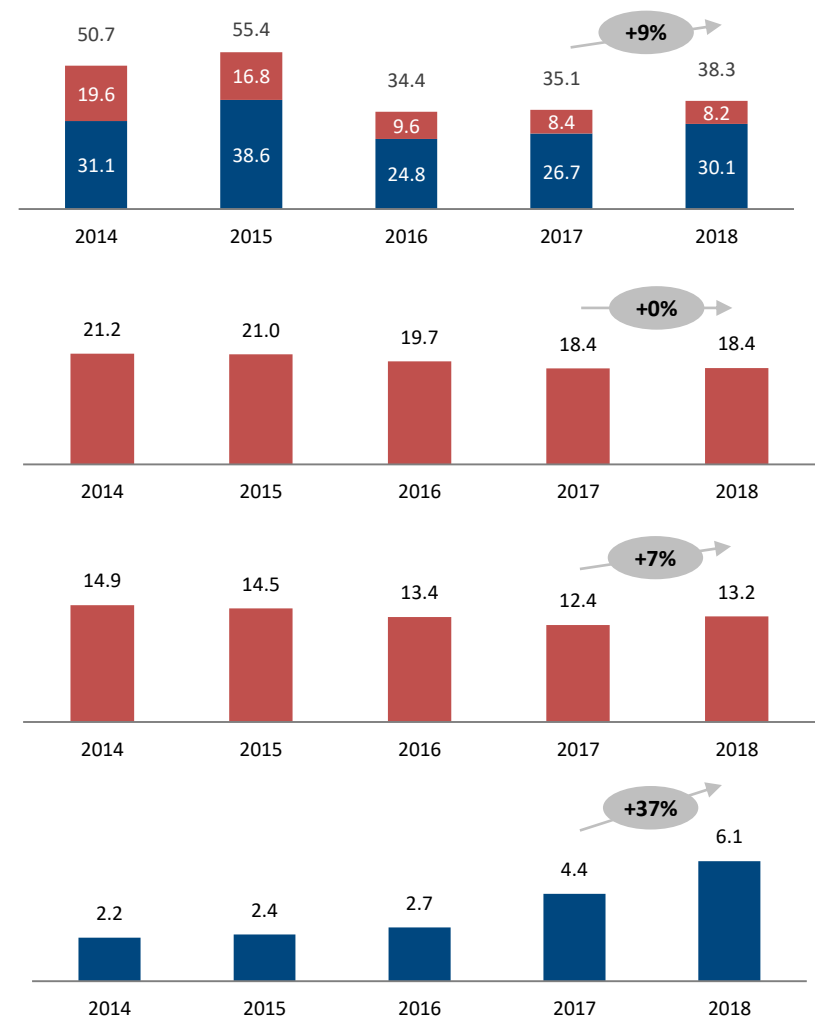
Adjusting

- Loss adjusting, risk assessment, legal/expert witness and construction dispute resolution to the international insurance and reinsurance markets
- Activity within the energy, marine, mining, renewables, power & utilities industries, etc.



Offshore Renewables

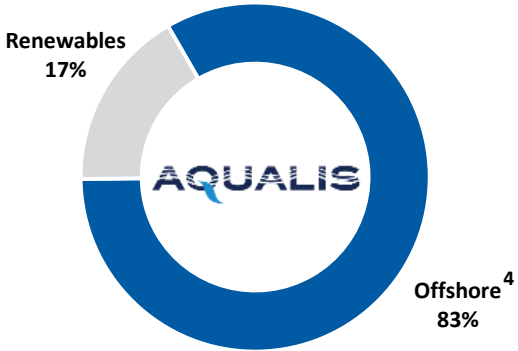
- Specialized and globally focused engineering consultancy providing independent services to the offshore wind industry
- Engineering & project management consultancy



Diversified revenue base

Aqualis¹

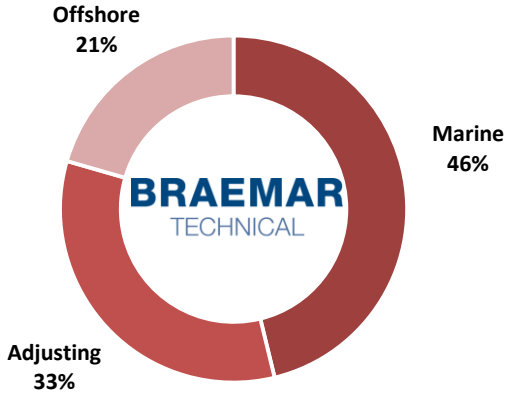
Revenue	Gross profit	Reported EBITDA
USD 36.2m	USD 11.0m	USD 2.5m



Employees³: 187

Braemar Technical¹

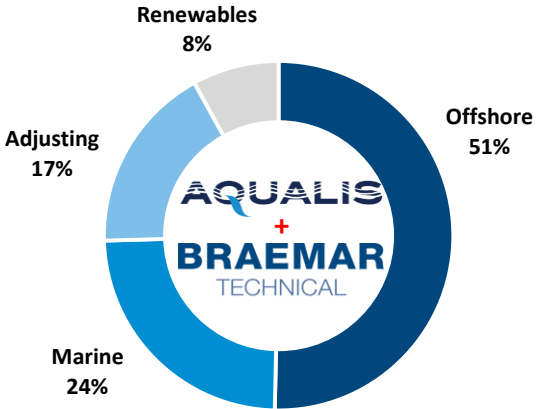
Revenue	Gross profit	Adj. EBITDA ²
USD 39.8m	USD 13.7m	USD 0.4m



Employees³: 245

Combined¹

Revenue	Gross profit	Adj. EBITDA ²
USD 76.0m	USD 24.7m	USD 2.9m

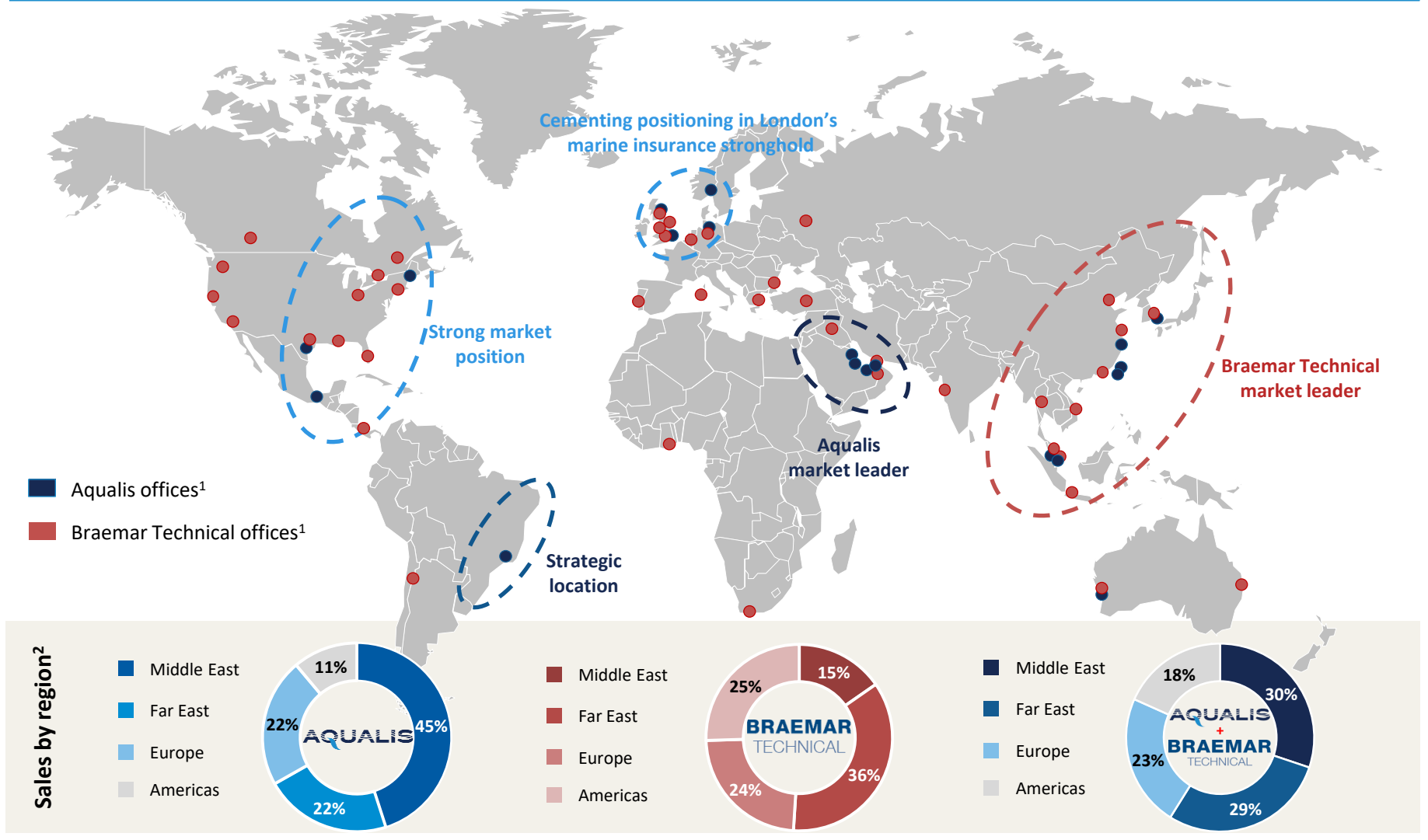


Employees³: 432

15 Notes: (1) 2018 calendar year figures. Pie charts depict revenue split (2) EBITDA adjusted for non-recurring costs; (3) Includes subcontractors on 100% utilisation basis and all support staff. Employees as of 31 March 2019; (4) Offshore oil & gas



Strengthened global presence



Experienced management team with strong focus on operational excellence to lead the combined company



David Wells

CEO

- More than 35 years of experience in the offshore consultancy sector
- Particular focus on offshore operations, MWS and marine consultancy
- Specialist on all aspects of rig move operations
- Experience from Noble Denton



Kim Boman

CFO

- More than 20 years of experience in corporate finance, accounting/auditing, strategy consulting and investor relations
- Particular experience within the offshore, shipping and renewable energy industry
- Experience from REC Solar, DnB, First Securities and PWC



Reuben Segal

Group COO and COO Offshore

- More than 20 years of experience in the offshore and shipping sectors, covering both engineering design and ship surveying
- Naval architect and has extensive global business development experience with focus on design and construction of offshore oil and gas assets
- Experience from Noble Denton



Grant Smith

COO Insurance Services¹

- More than 25 years of experience adjusting large complex losses in the Energy/Power and Marine sectors
- Started his career in the London insurance market in the early 1990's working closely with key players in the insurance market
- Experience from Braemar

Other senior divisional management selected from top talent within both companies

Combination benefits all stakeholders



Customers

- New capabilities and broader suit of services offered
- Increased scale and wider global footprint helps the company to efficiently meet customers' evolving needs
- Limited overlap and compelling customer benefits with comprehensive product offering and wide service network

Employees

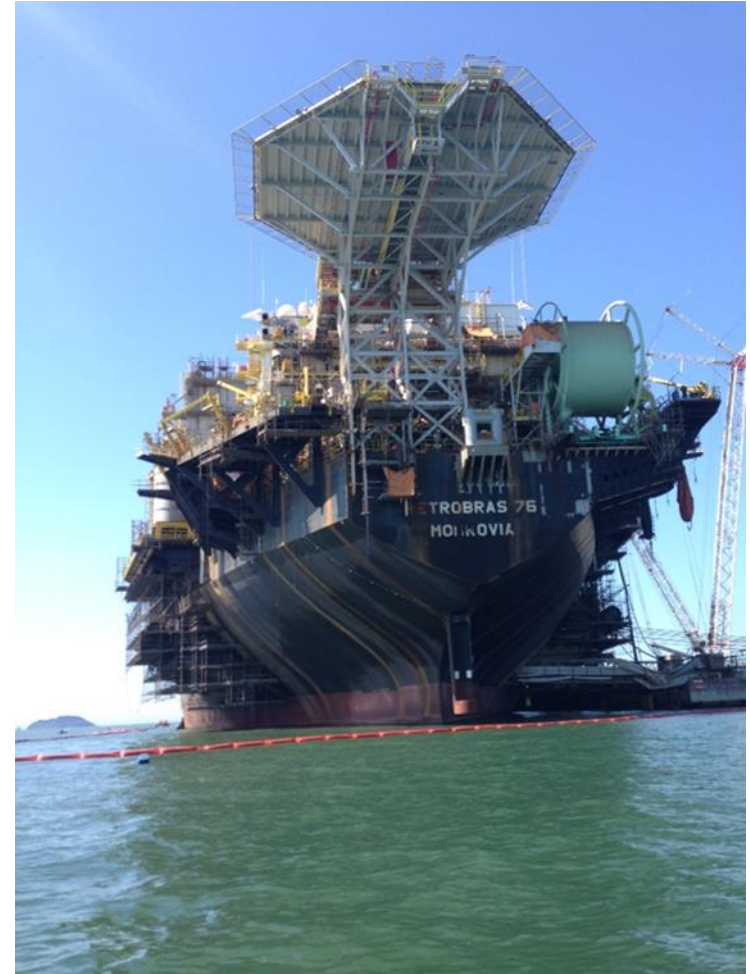
- Better career prospects at a larger, global and more diversified company
- Increased professional development and international career opportunities
- Access to larger pipeline of work and challenging projects

Shareholders

- Realization of synergies to create shareholder value
- Clearly identified cost and operational synergies and significant opportunities to increase revenue growth
- Stock transaction allows all shareholders to participate in upside from the combination

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Significant synergy potential

Synergy drivers

Revenue synergies

Estimated run-rate EBITDA effect of USD 0.9m

- Size and scale advantages
- Strengthening offering and competences in complementary areas
- Stronger market position
- Cross-selling across services and geographies

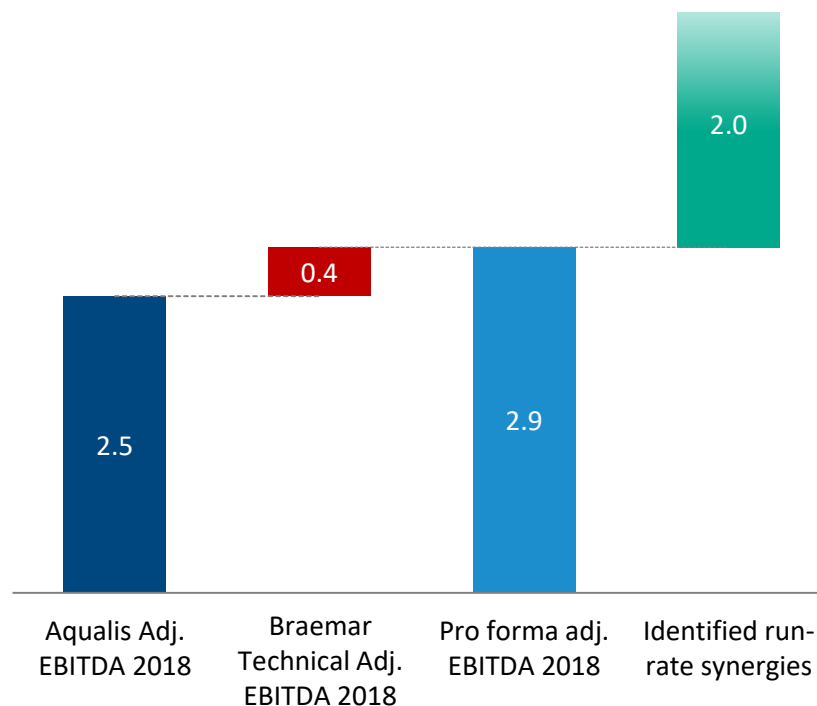
Cost synergies

Estimated run-rate cost synergies of USD 1.1m¹

- Efficient use of facilities
- Improved operating structure
- Administrative efficiencies
- Information system efficiencies
- Economics of scale effects

Run-rate EBITDA synergies of USD 2.0m identified²

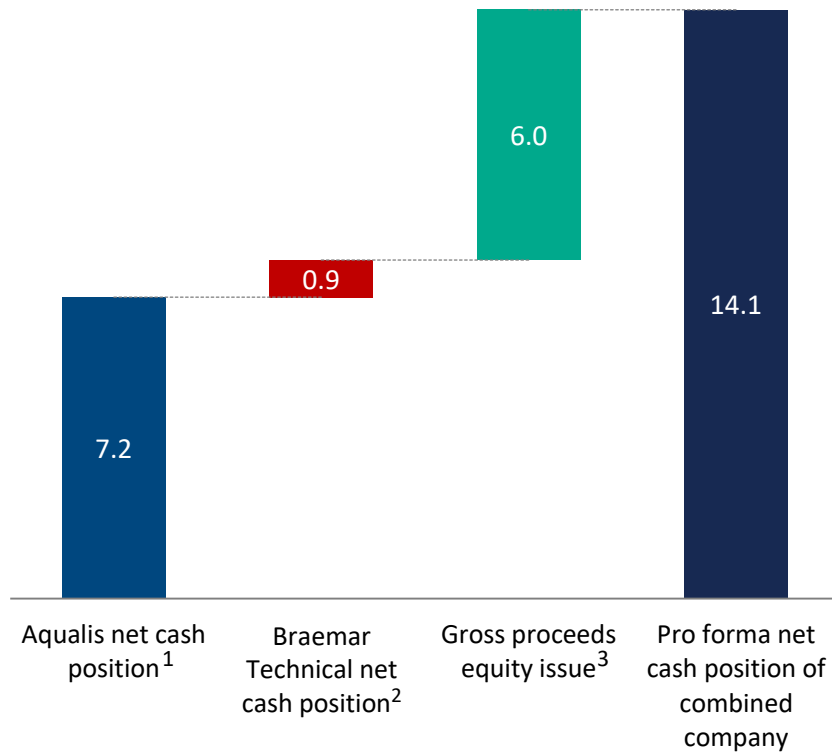
USDm



Synergies estimated at 68% of 2018 Pro forma adjusted EBITDA

Solid cash position yields financial flexibility

Combined company with significant net cash position

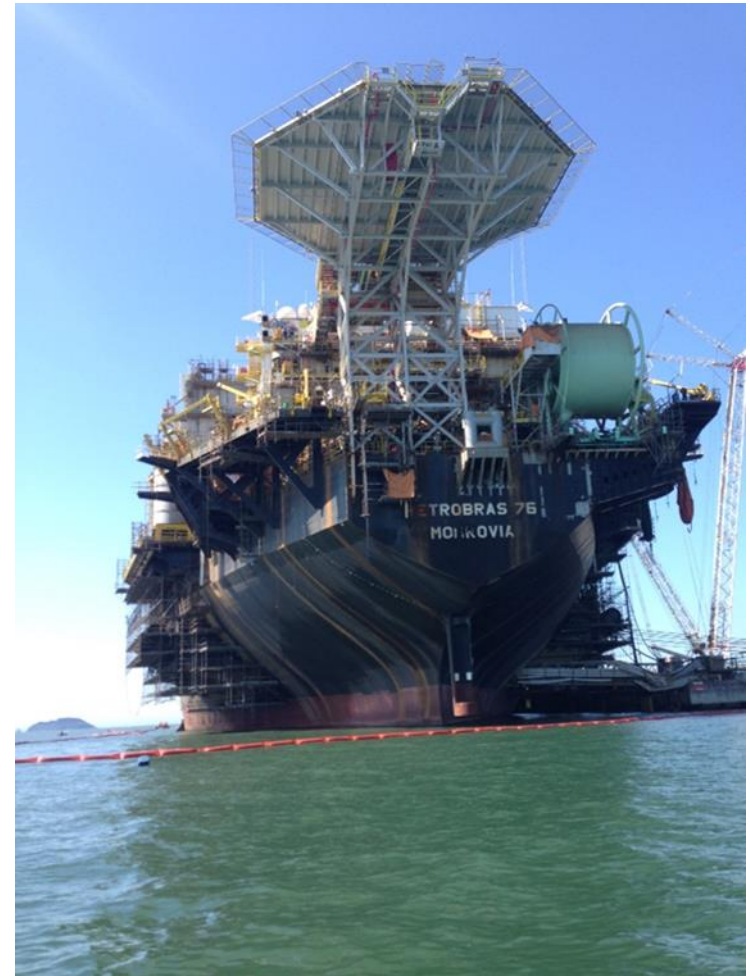


Comments

- Strong financial platform gives flexibility, solidity and enables value adding investments
- Net cash position of ~USD 14m in combined company
 - Existing cash position in Aqualis of USD 7.2m
 - Braemar Technical net cash position of USD 0.9m on 28 February 2019
 - Fully underwritten equity issue of approximately USD 6 million to expand liquidity buffer during integration phase

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Summary



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Broader service offering and increased scale – a stronger partner for clients

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Combining two highly complementary businesses – building on unique strengths of both organizations and brands

V

Strengthened global presence

VI

Unlocking significant synergies

IV

Becoming an even more attractive employer

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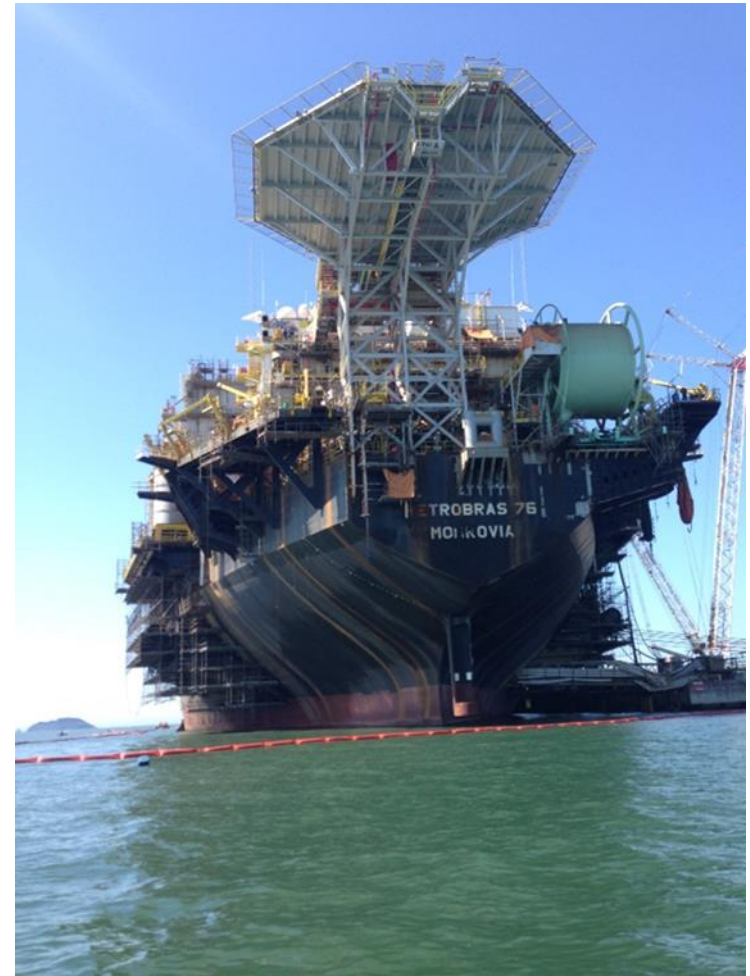
New major shareholder with industrial perspective

Q&A



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A compelling strategic combination

Creating a stronger partner for clients by combining two complementary businesses

- Complementary service offering yields significant room for synergies
- Leverage unique strengths of each company to create a leading global adjusting, marine, offshore and renewable consultancy
- Broader service offering and increased scale creates a stronger partner for clients

Strengthened brand name geographical presence and increasing scale

- Combining two individually strong brands to leverage combined global reputation as AqualisBraemar
- Stronger positions in all key geographies and end-markets with deeper local presence
- Scale advantages - combined company has ~2.1x sales and ~2.2x gross profit of Aqualis stand-alone

Unlocking significant synergies

- Total run-rate EBITDA synergies estimated to USD 2.0m – around 68% of 2018 pro forma adjusted EBITDA
- Key areas for cost synergies include efficient use of facilities, information systems and improved operating structure
- Revenue synergies from cross-selling across services and geographies

Becoming an even more attractive employer

- Combining two talent-rich organizations with similar core values
- A global and diversified organization with focus on professional development secures strong career prospects
- Incentive scheme in place to attract and retain top professionals

Solid financial position and shareholder base

- Solid balance sheet with significant net cash position
- Strong liquidity and flexible capital structure allows the company to navigate through the cycle
- New major shareholder with industrial perspective

Relations to insurance industry key for AqualisBraemar

Marine /offshore insurance industry at a glance



AqualisBraemar's role

Managing insurance loss events

- Adjusting of losses
- Marine surveys



Insurance approvals

- Rig moves
- Complex offshore transportation



AqualisBraemar can act as the conducting and/or the approving party

Offshore – key competence and delivery

AqualisBraemar's key competence

1) Mariners

- Specialists in leading complicated marine operations
- World leader in offshore rig moving activities

2) Engineers

- Conversions, planning, verifying and detailed engineering of transportation, installation, hookup, of marine installations/floaters and removal / recycling of assets
- Verification engineering, audits, MWS, conversions / upgrades / reactivations for new build assets and existing facilities

Example projects

- **Rig moves**, marine operations and complex offshore global transportation of floating assets
- **Installation services / floatovers** of topsides, jackets and other fixed offshore structures
- **Decommissioning** and scrapping of fixed and floating structures and assets
- **Rig / vessel inspection services** including rig lay-ups, stacking, modifications, re-activations, FMEAs and trials

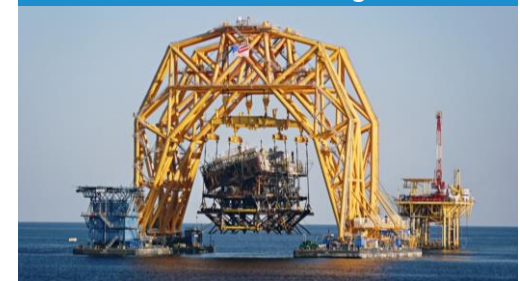
Rig moves



Installation/floatovers



Decommissioning



Marine – key competence and delivery

AqualisBraemar's key competence

- **Mariners and Engineers** with long experience from the shipping and offshore industries

Hull & Machinery casualty investigations



Risk assessment, mitigation & control



Example projects

- Casualty investigation for hull & machinery and P&I insurance market¹
- Risk assessment and condition surveys
- Loss of hire investigation
- Cargo damage surveys for underwriters and P&I clubs
- Salvage & wreck removal

Cargo damage surveys



Adjusting – key competence and delivery

AqualisBraemar's key competence

Insurance professionals and engineers

- Specialist in technical issues surrounding incident investigation, cause analysis, and potential policy and contractual response to an incident, onshore and offshore
- Independent advice to the international insurance community
- Evaluating repair/rebuild scope and costs following an insurance claim/incident

Example projects

Loss adjustment for:

- Upstream, midstream and downstream O&G (Energy)
- Mining and heavy industry
- Power & Utilities
- Pollution liabilities
- Renewables

Energy



Power & Utilities

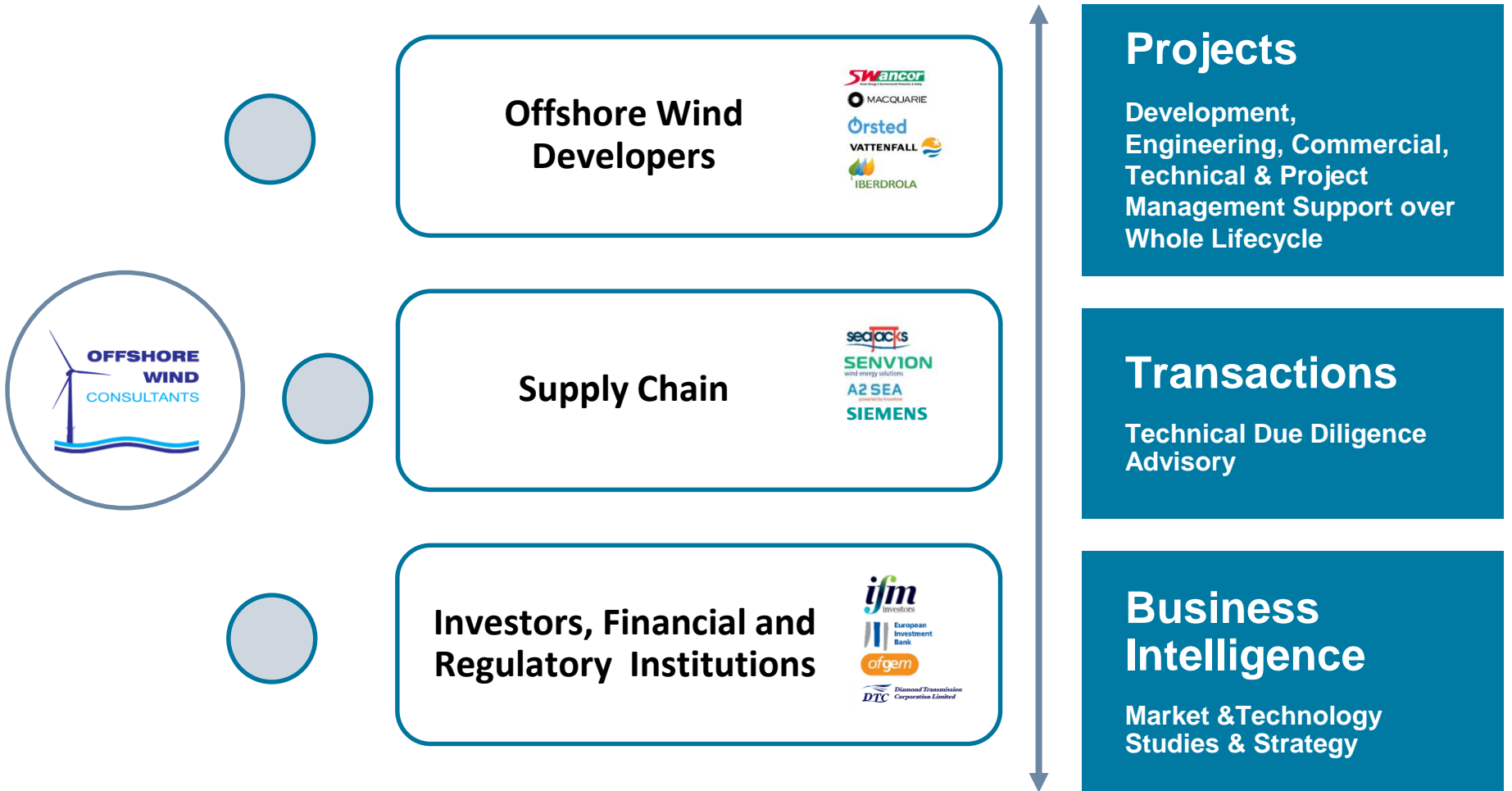


Renewables

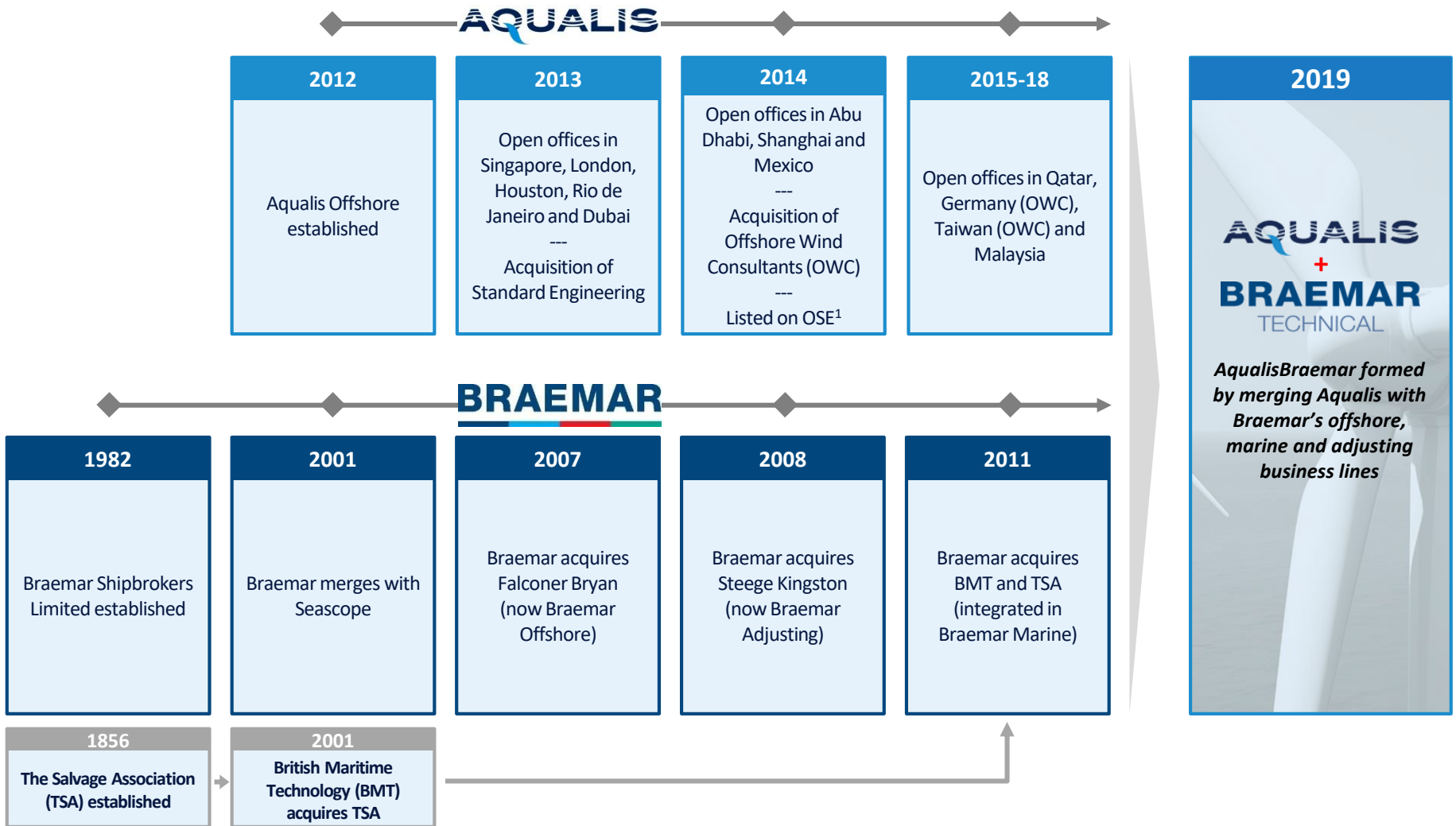


Offshore renewables

- Service covering all needs in value chain



A young, agile and growth oriented organization combined with more than a century of experience



Pro forma 2018 financial profile

<i>USDm</i>	AQUALIS	BRAEMAR TECHNICAL	Combined
Revenue	36.2	39.8	76.0
EBITDA	2.5	(0.6)	1.9
<i>EBITDA margin (%)</i>	7.0%	(1.5)%	2.5%
Adjusted EBITDA ¹		0.4	2.9
<i>Adjusted EBITDA Margin (%)</i>		1.0%	3.8%

Braemar Technical selected financial information

Selected earnings items (USDm)^{1,2}

	CY 2018	Q1 2019 YTD
Revenue	39.9	9.7
Gross Profit	13.7	3.1
EBITDA	(0.6)	(0.6)
One-off and other items ⁴	1.0	0.1
Adj. EBITDA	0.4	(0.4)

Selected balance sheet items (USDm)^{1,2,3}

	31 December 2018	As of 31 March 2019
Intangibles	0.1	0.1
PPE	0.6	0.6
Other assets	0.5	0.2
Fixed assets	1.3	0.9
Net working capital	20.2	20.2

Notes: (1) The unaudited financial information is provided for illustrative purposes only and does not intend to represent what the actual result of operations or the financial position would have been, had the business been operated as standalone entity or as part of Aqualis, nor is it necessarily indicative of future results of operations or financial position of the Combined Company in the future; (2) earnings figures reported in GBP and calculated to USD using the monthly average GBP/USD FX rate. Balance sheet items calculated from GBP to USD using the closing FX rate at the respective date; (3) Net working capital = current assets (excluding cash) less current liabilities; (4) One-off and other items, such as gain/loss on disposals, restructuring costs and full year effect of cost initiatives

AQUALIS