RNS Number : 2843R
Braemar PLC
05 June 2024

5 June 2024

BRAEMAR PLC
(the "Company")

Notice of 2024 Annual General Meeting

Braemar Plc (LSE: BMS), a leading provider of expert investment, chartering, and risk management advice to the shipping and energy markets, announces that it has published notice of the Company's 2024 Annual General Meeting ("AGM").

The AGM will be held at 10:00 a.m. on Wednesday, 3 July 2024 at the Company's offices at One Strand, Trafalgar Square, London, WC2N 5HR. The AGM notice will be available on the Company's website (www.braemar.com) and, together with the Form of Proxy for the AGM, will be submitted to the National Storage Mechanism and will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism. Copies of these documents along with the 2024 Annual Report and Accounts (published on 23 May 2024) have also been posted today to shareholders that have elected to continue to receive hard copies.

The Annual Report is available on the Company's website (www.braemar.com), and will shortly be submitted to, and available for inspection on, the National Storage Mechanism at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

FY24 Final Dividend

Subject to shareholder approval at the AGM, the FY24 final dividend will be paid on 9 September 2024 to shareholders who are on the register at the close of business on 2 August 2024, with a corresponding ex-dividend date of 1 August 2024. The last date for Dividend Reinvestment Plan elections will be 16 August 2024.

Principal Risks and Uncertainties for the year ended 29 February 2024

The appendix sets out the disclosures that the Company is required to make to comply with Disclosure and Transparency Rule (DTR) 6.3.5R, namely: the principal risks and uncertainties facing the Company; the directors' responsibility statement made in respect of certain sections of the Annual Report; and a statement regarding related party transactions. This information has been extracted from the Annual Report in unedited text and is not a substitute for reading the full Annual Report.

Page references and note references below refer to page numbers and numbers of notes to the accounts in the 2024 Annual Report and Accounts.

Legal Entity Identifier: 213800EV6IKTTHJ83C19

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Notes to Editors:

About Braemar Plc

Braemar provides expert investment, chartering, and risk management advice that enable its clients to secure sustainable returns and mitigate risk in the volatile world of shipping and energy. Our experienced brokers work in tandem with specialist professionals to form teams tailored to our customers' needs, and provide an integrated service supported by a collaborative culture.

Braemar joined the Official List of the London Stock Exchange in November 1997 and trades under the symbol BMS.

For more information, including our investor presentation, visit www.braemar.com and follow Braemar on LinkedIn.

Appendix

Principal Risks and Uncertainties for the year ended 29 February 2024

Risk Management

Effective risk management forms an integral part of how we operate. It is essential for delivering our strategic objectives as well as protecting our relationships and reputation.

The Group's Risk Management Framework

Risk awareness is a key element of Braemar's organisational culture at all levels and is key in managing risks to our business, helping to ensure the process of risk identification, assessment and response is embedded within daily operational and functional activities across the Group.

The board is responsible for managing the Group's risk, overseeing the internal control framework, and determining the nature and extent of the principal risks the Group is willing to take to achieve its long-term objectives. The Group's risk management and internal control frameworks are continually monitored and reviewed by the board and the Audit &Risk Committee, with support from the Risk Committee. The board is committed to maintaining the highest standards of conduct in all aspects of its business, but in considering the other matters set out in Section 172 of the Companies Act 2006, the directors are mindful that the approach must be balanced with both employee interests and the Group's need to foster business relationships. Group policies and procedures have been designed to ensure that the level of risk to which the Group is exposed is consistent with the Group's risk appetite and aligned with the Group's long-term strategy.

Reporting to the Chair of the Audit and Risk Committee and administratively to the Chief Financial Officer, the Head of Internal Audit and Risk Service outsourced to a third party leads the Internal Audit and Risk management function.

Risk Management Process

The Group's risk management approach or framework incorporates both bottom-up and top-down identification, evaluation, and management of risks. Within our framework:

- Senior management has initial responsibility for identifying, monitoring, and updating business risks, while

The management teams of Group IT, HR, Legal, Compliance and Finance, assess their

- The management teams of Group IT, HR, Legal, Compliance and Finance assess their respective functions for operational and functional risks not identified by senior management.

The Group's risk management framework is managed via an online system which is accessible to the senior management team and operational and functional management teams globally. The system's functionality has allowed for enhanced monitoring and reporting automation. The system allows for:

- Group-wide real-time updating,
- Distribution and completion of periodic internal control self-assessment surveys,
- Ongoing monitoring of risks and mitigation activities at Group, Operational, and Functional levels, and
- Risk Management reporting at Group, Regional, and company location levels.

The Group's risk management framework considers both the likelihood and the impact of identified risks materialising. Risks are mitigated, where possible, by the implementation of control activities, which are evaluated as part of the risk-based internal audit plan to determine their effectiveness in mitigating or reducing risk to acceptable levels.

All identified risks are aggregated and reviewed to assess their impact on the Group's strategic objectives and identify the resources required to manage them effectively. Principal risks are aggregated together with associated issues or areas of uncertainty. Inherent risks can be significant, but our control processes and management actions reduce the risk level.

The risk management process evaluates the timescale over which new or emerging risks may occur. The risk management process also considers the potential impact and likelihood of risks, as well as the timescale over which risks may occur. The outcome of this process is then reviewed with further consideration and assessment provided by the Risk Committee, the Audit & Risk Committee, and the board.

Oversight and evaluation of the effectiveness of Braemar's risk management framework is led by the Group Chief Financial Officer, supported by the Risk Committee whose membership includes the Chief Operating Officer, Company Secretary, Head of Internal Audit and Risk and Head of Compliance, and representatives of other functions and locations of the business. The Risk Committee monitors risks regularly, taking into consideration the appetite, tolerance, and potential impact for specific risks on the Group.

Principal Risks

The principal risks which may impact the Group's ability to execute its strategic objectives have changed since 2023. In FY24, one new emerging risk has been added. The risks that follow, while not exhaustive, are those principal risks which we believe could have the greatest impact on our business and have been discussed at meetings of the board, the Risk Committee and the Audit & Risk Committee. The board reviews these risks in the knowledge that currently unknown, non-existent or immaterial risks could turn out to be significant in the future and confirms that a robust assessment has been performed. The Audit & Risk Committee review and approve the principal risks and any related mitigation plans.

Competition risk and market consolidation (New principal risk)
Competition in the shipping industry is becoming increasingly intense, and there is a growing trend towards market consolidation, as companies seek to gain scale and reduce costs.

Other changes
One principal risk disclosed in the 2023 Annual Report has had its title changed from 'Loss of key personnel and weak organisation culture' to 'People and Culture'. While no change in the overall risk level has been observed, the new title better captures the nature of the related risk.

Risk Mitigation

As part of our risk management process, the Group takes various measures to mitigate risk, throughout the year these measures included:

- Ongoing periodic review and updating of policies and procedures, including AML and KYC, to enhance/strengthen the Group's governance framework, with ongoing monitoring of employee training completion rates.
- A signature authorisation and delegation of authority policy, complemented by independent assurance activities.

- Usage of common finance, HR and operations systems across the Group supported by our IT team.
- Succession planning and strategic recruitment supported by the Group HR team.
- Establishment of board-approved Group budgets with ongoing performance monitoring against budgets/reforecasts and investigation of significant variances.
- Regular reporting of treasury management activity to the board by the Group Chief Financial Officer.
- Ongoing monitoring of contractual risk by the Group legal team.
- Operation of the Group's whistleblowing procedure.
- Maintenance of appropriate insurance cover.

Group Risk Governance

Principal Risks

The directors have carried out an assessment of the principal and emerging risks facing the Group . The most significant risks to which the board considers the Group is exposed, based on the evaluation process described in the Group's risk management framework are set out below.

Risk	Summary of impact	Mitigating control and management actions	Net risk change
Competition risk and market consolidation Competition in the shipping industry is becoming increasingly intense, and there is a growing trend towards market consolidation, and hiring established brokers as companies seek to gain scale and reduce costs.	Loss of established brokers could impact revenues. Increasing consolidation could impact the Group's M&A strategy for growth.	• Regular horizon-scanning exercises are conducted by the leadership team which aim to identify areas of the business that could be targeted by competitors. • Leadership team monitors transactions in the industry looking for trends.	New Risk
Cybercrime / data security Cybercrime could result in loss of business assets or disruption to the Group's IT systems and its business. Lack of appropriate data security could result in loss of data.	Loss of service and associated loss of revenue. Reputational damage. Potential for material losses due to fraud or phishing.	• To address the persistent threat of cyber-attacks, and to enhance security measures already in place, Braemar has embarked on a global Cyber Security programme. This programme includes the implementation of the NIST Cyber Security Framework and ISO 27001 as Braemar's controls catalogue. Our Security Operations Centre is fully operational with 24/7 monitoring and coverage. • Our IT processes prioritize cybersecurity through regular penetration testing, anti-virus and firewall deployment, use of a trusted third-party software-defined wide area networking (SD-WAN) solution, regular vulnerability scans, frequent complex password changes, email authentication protocols, and strict access control procedures. • The security operations centre (SOC) supports the wider cybersecurity control environment by providing continuous monitoring and analysis of networks, systems, and applications to detect potential threats, as well as enabling rapid incident response through leveraging threat intelligence, skilled security analysts, and established processes for investigation, containment, and eradication of identified attacks or breaches.	Increased
Geopolitical and macroeconomic	A downturn in the world	• Regular horizon-scanning	Increased

Braemar's businesses is reliant on global trade flows and, as such, may be negatively impacted by geopolitical and/or macroeconomic issues, such as changes in crude oil price, restrictions in global trade due to pandemics, sanctions, and changes in supply and demand.	economy could affect transaction volumes, resulting in reduced revenue. Changes in shipping rates and/or changes in the demand or pricing of commodities could affect supply activity. Note: The continued conflict between Russia and Ukraine and related global sanctions has increased the potential impact of risks associated with both geopolitical and/or macroeconomic issues and compliance with relevant laws and regulations.	exercises are conducted by the leadership team which aim to identify emerging trends and disruptive forces in this area while monitoring the competitive landscape. • Diversification on a sector and geographic basis reduces dependency on individual business areas. • Ongoing monitoring to ensure the Group is appropriately resourced across its activities and geographies. • Ongoing management of costs based on current and reasonably foreseeable market conditions. • Enhanced KYC procedures and ongoing monitoring of compliance with governance policies, sanctions, and other legal / regulatory requirements across the Group to help ensure laws and regulations are not breached. • Braemar's diverse service offering, led by experts in their fields, means the Group are in the best position to find new opportunities in volatile market conditions and able to take advantage of market turnarounds.	
Compliance with laws and regulations Braemar generates revenues from a global business that exposes the Group to risks associated with legal and regulatory requirements.	Legal and regulatory breaches could result in fines, sanctions being imposed on our business, and the loss of Braemar's ability to continue operating. Failure to meet all reporting obligations could lead to reputational damage which could then lead to loss of revenue and staff.	Group-wide training program to help ensure employee awareness of, and compliance with, all relevant legal and regulatory obligations: • Braemar Corporate Governance Framework; • Braemar Risk Management methodology; • Compliance with our policies, including our AML/KYC policies' (enhanced) customer due diligence requirements; and • Compliance with relevant laws & regulations, including Anti-bribery and Corruption regulations. • Enhanced KYC procedures and ongoing monitoring of compliance with governance policies and legal / regulatory requirements across the Group to help ensure requirements are not breached. • Ongoing monitoring to ensure insurance cover is maintained at adequate levels.	Decreased
Currency fluctuations The Group is exposed to foreign exchange risk because a large proportion of its revenue is generated in US dollars while its cost base is in multiple currencies.	A change in exchange rates could result in a financial gain or loss.	• The board sets the Treasury Policy which details the level of exposure the board is comfortable with and the Group hedges to the level stipulated in the Treasury policy. Forward currency (US $) contracts are entered into to mitigate the risk of adverse currency movements.	No change
Disruptive technology Shipbroking is still largely a business that is transacted via personal relationships dependent on quality service. Hence the risk of technological change, disintermediation and increased customer demands for enhanced technological offerings could render aspects of our current services obsolete, potentially resulting in loss of customers	Relationships could be devalued and replaced by disruptive technology platforms, resulting in increased competition, consequent price reductions, and loss of revenue.	• Investment in technology through partnering with best-in-class providers, such as Zuma Labs, has effectively differentiated Braemar. • Ongoing modernisation of our infrastructure to allow for focus on innovation and strategic direction. • Regular horizon-scanning exercises are conducted by the leadership team which aim to	No change

resulting in loss of customers.		leadership team which aim to identify emerging trends and disruptive forces in this area while monitoring the competitive landscape.	
Environment and climate change Seaborne transportation is estimated to create approximately 3% of the world's carbon emissions and there will be increased pressure to reduce that in the future. Failure to monitor and address the risks associated with that reduction process could result in loss of revenue for Braemar and its customers and counterparties	The Group's P&L and liquidity could be negatively impacted if customers are lost as a result of our not keeping pace with our peers and industry best practice. Non-compliance with regulations or disclosure requirements could result in fines or penalties. Failure to appropriately monitor and mitigate these risks could lead to Braemar suffering serious reputational damage. Note: Management does not expect climate-related risks to have a material impact on the Group's short-term financial performance.	• Investment in the offshore renewables market and technology to allow the Group and its clients to offset carbon emissions. • Ongoing development and EPSG strategy which allows the Group to monitor and report on environmental and climate-related risks.	No change
Integration risk Braemar's shipbroking-focused growth strategy makes use of strategic hires and acquisitions to increase the size of the business. Integrating and aligning any new acquisition with the Group poses various challenges from an operational and financial perspective.	Inefficiencies and/or reduced expected synergies realised after integrating new acquisitions into the group and aligning them with the respective group strategies.	• Performance of new business is monitored through regular dialogue with relevant business leaders. • Compliance and legal mechanisms in place to ensure the purchase meets any relevant regulatory requirements and the target company aligns appropriately with the relevant Group values. • Prioritisation of identified growth opportunities to ensure resources are appropriately allocated to opportunities with the best potential return on investment.	No change
People and culture Braemar is a people-based business and people are vital to its success. Inadequate policies and reward structures could incentivise negative behaviours, create internal conflict, lead to reputational damage, and contribute to failure in attracting and /or retaining skilled personnel. Failure to adapt to, or align with, market expectations, including the offering of flexible or hybrid working arrangements, could result in the inability to attract and retain skilled personnel. Lack of appropriate consideration of environmental and wider social issues could also contribute to the	Employee relations claims / litigation / tribunals attributed to negative behaviours or actions, increases the potential for reputational damage because of negative publicity in the public domain. Loss of key staff could result in reduced revenue if former staff attempt to take contacts and business with them. Strategic growth objectives may not be achieved if Braemar fails to	• Ongoing review of policies, including Conflict of Interest, Code of Conduct, and the Employee Handbook, to ensure behavioural expectations and employment practices for managers and employees are clearly defined. • Organisational structure changes included the creation of associate director roles to identify key employees and more clearly show progression opportunities. • Ongoing development of a culture of engagement and professional development, including implementation of performance management objectives, clearly defined pathways for career progression, and succession planning at senior management levels. • Annual review of compensation with external benchmarking helps to ensure remuneration packages	No change

inability to attract and retain skilled personnel.	attract and retain skilled personnel.	to ensure remuneration packages continue to be appropriate and competitive. • Ongoing consideration of roles potentially suitable for hybrid and flexible working arrangements.	
Sanctions and trade restrictions Braemar operates in a global landscape of international and financial sanctions with a variety of associated compliance requirements.	Conducting business with sanctioned entities, through sanctioned regions and facilitating transport of sanctioned goods will lead to non-compliance with sanctioned regimes, resulting in financial penalties/fines and reputational damage. Note: Increased scrutiny from regulatory bodies and rising geopolitical and macroeconomic issues, including the continued Russia/Ukraine and conflict, has increased the potential impact of risks associated with breaches of sanctions and trade restriction requirements.	• KYC procedures performed by the Group Compliance teams with support from the Legal team. • Through strategic and targeted recruitment, increasing our in-house KYC and sanctions-monitoring capabilities enhances our ability to navigate the intricate landscape of sanctions regulations and mitigate associated risks within our business operations. • Technology solutions used to optimise the efficiency of sanction screening performed. • External assurance providers performing internal audit reviews over the sanctions process and validating the implementation of recommendations previously raised to management. • External sanctions horizon scanning support provided by a legal advisory panel. • Targeted training program aimed at Management and senior desk heads to further raise awareness of, and compliance with, all relevant legal and regulatory obligations.	No change

Directors' responsibilities pursuant to DTR4:

The directors confirm that to the best of their knowledge:

- the Group Financial Statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

The directors confirm that they consider this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the Company's shareholders to assess the Group's position, performance, business model and strategy.

Related party transactions

During the period the Group entered into the following transactions with joint ventures and investments:

Transactions with wholly owned subsidiaries

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

A list of the Group's subsidiary undertakings is included in the following table. Unless otherwise indicated, all shareholdings owned directly or indirectly by the Company represent 100% of the issued share capital of the subsidiary and the share capital comprises ordinary shares. All entities primarily operate in their country of incorporation.

Key management compensation

The remuneration of key management, which the Group considers to be the directors, is set out below. Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report on pages 62-78.

	2024 £'000	2023 £'000

Salaries, short-term employee benefits and fees	**4,954**	5,879
Other pension costs	**85**	52
Termination benefits	**131**	-
Share-based payments	**548**	1,226
Total	**5,718**	7,157

Pension costs relate to contributions made to a defined contribution pension scheme on behalf of four (2023: three) members of key management.

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