Bruton Limited

RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025.

Bruton Limited (together with its subsidiaries, "Bruton", the "Company" or the "Group") announces preliminary unaudited results for the six months ended June 30, 2025.

Key events during the six months ended June 30, 2025

- Reported a net loss of $0.1 million.
- Cash position of $3.7 million
- Vidar Hasund was appointed as Contracted CFO under the Amended Management Agreement with 2020 Bulkers Management AS.

Subsequent events

- In August 2025, entered into a Memorandum of Agreement with New Times Shipbuilding to postpone the third installment of $13.4m for newbuild 0330005 until date of the fourth instalment, expected In February 2026

Introduction

The Company was incorporated on 12 July 2023 and is an exempted company limited by shares organized and existing under the laws of Bermuda.

In July 2023, the Company entered into two newbuild contracts for two crude oil tankers (Very Large Crude Carrier "VLCC" or the "Vessels") vessels with New Times Shipyard ("New Times") in China with a contract price of $133.9 million each which includes LNG dual-fuel engine fittings. The dual fuel capabilities mean the ships can run on LNG, high sulfur fuel oil or low sulfur fuel oil offering the charterers significant flexibility. The ships can be elected to run on LNG when that is economical, either through a higher premium from charters (due to reduced CO2 emissions), benefit from CO2 prices, or lower price of fuel (when LNG prices are trading at a discount to fuel oil). As such, the Company's Vessels may have a significant competitive advantage compared to the average comparable VLCC vessel in the market today.

Based on latest progress at the yard, delivery is currently targeted for July 2026 and January 2027.

To date, the Company has paid total installments of $ 26,771,000 to the shipyard representing 10% of the contract price. As security for the pre-delivery installments under the newbuild contracts, New Times has provided bank guarantees securing the Group's pre-delivery installments. The next installments for the Vessels are currently scheduled for payment January 2025 and February 2026 as further discussed in the Liquidity and Financing section.

The Company has entered into various agreements to support its business activities. These agreements include corporate and commercial support from Magni Partners (Bermuda) Ltd., accounting and treasury services from Himalaya Shipping Management (UK) Limited, certain management services from 2020 Bulkers Management AS and corporate secretarial services from Golar Management (Bermuda) Ltd. Pursuant to the arrangements with Magni, Mr. Eliassen has been seconded to the Company as its Contracted CEO from October 2024. Building supervision, plan approval and technical negotiations for the Vessels have been subcontracted to SeaQuest Marine Project Management Ltd.

The objective of the Company is to maximize shareholder returns from the two VLCC vessels under construction, while maintaining an opportunistic business development approach in maritime and cyclical industries.

Management discussion and analysis

Consolidated Statements of Operations

General and administrative expenses for the six months ended was $0.2 million, a $0.1 million increase compared to the six months ended June 30, 2024. The increase is primarily due to costs relating to the Euronext Growth listing in November 2024 such as legal, advisory and listing fees, and secondment fees for the contracted CEO (which only started in the fourth quarter of 2024).

Consolidated Balance Sheets

The Company had total assets of $30.7 million as of June 30, 2025 (December 31, 2024: $31.0 million).

Newbuildings as of June 30, 2025 and December 31, 2024 was $27.0 million. There were no newbuilding installments paid in the six months ended June 30, 2025.

Total shareholders' equity was $30.7 million as of June 30, 2025 (December 31, 2024: $30.8 million).

Consolidated Statements of Cash Flows

Net cash used in operating activities was $0.3 million in the six months ended June 30, 2025. Net cash used in investing activities was $20,000 in the six months ended June 30, 2025. There were no cash flows from financing activities in the six months ended June 30, 2025.

In the six months ended June 30, 2024, net cash used in operating activities was $0.1 million. Net cash used in investing activities was $15.4 million in the six months ended June 30, 2024 which related to the second installment payments on the two newbuildings. Net cash provided by financing activities in the six months ended June 30, 2024 was $3.5 million which related to the remaining proceeds from the private placement in December 2023.

Liquidity and Financing

The Company had cash and cash equivalents of $3.7 million as of June 30, 2025.

The Company has not yet initiated any active operations or entered into significant investments other than the newbuilding contracts. The Company's only source of liquidity has so far been the net proceeds from two private placements of common equity, which have been primarily used to finance the 1st and 2nd installment for the newbuildings and for general corporate purposes.

The Company is adequately financed to meet its near-term obligations and has working capital to meet its current operational needs. The Company, however, does not currently have sufficient financing to pay the future shipyard installments for the newbuildings. Following the Memorandum of Agreement between the Company and New Times Shipyard in August 2025, the remaining installments on the first vessel will be payable in February 2026 ($26.8 million), May 2026 ($13.4 million) and July 2026 ($80.3 million). In addition, the third and fourth installments on the second vessel are due in January 2026 and July 2026, respectively, each amounting to $13.4 million. Consequently, the Company does not currently have sufficient working capital to fund its committed capital program for the next 12 months. To obtain the necessary financing to pay the above-mentioned installments and the remaining purchase amount, the Company plans to raise further equity, seek third party debt financing, sell assets or a combination thereof.

Newbuilding program

On August 1, the Company entered into an agreement with New Times Shipbuilding to postpone the third installment of $13.4m for newbuild 0330005 until date of the fourth installment, expected In February 2026.

The newbuildings are targeted to be delivered as follows:

(numbers in $ million)			
Newbuilding hull number	**Target delivery date**	**Price**	**Remaining installments**
0330005	July 2026	133.85	120.5
0330006	January 2027	133.85	120.5
Total		267.70	241.0

To date, the Company has paid the first two installments on each of the building contracts, amounting to $26.8 million in total. These installments have been financed with equity. Payment schedule for the remaining installments on the two newbuildings are as follows:

(numbers in $ million)			
Newbuilding hull number	**Key event**	**Expected Date**	**Amount**
0330006	Steel cutting	January 2026	13.4
0330005	Steel cutting/Keel laying	February 2026	26.8
0330005	Launching	May 2026	13.4
0330006	Keel laying	July 2026	13.4
0330005	Targeted Delivery	July 2026	80.3
0330006	Launching	October 2026	13.4
0330006	Targeted Delivery	January 2027	80.3

Market Commentary

The first half of 2025 presented a modest picture for the VLCC market. The Baltic TD3 Index averaged USD 40,400 per day—a slight decline of 2% year-on-year. However, VLCC demand is expected to strengthen further in the second half, driven by rising Middle East exports, negligible fleet growth and seasonality. Moreover, the oil market is well placed for tankers through relatively low global inventories and strong demand, meaning room for higher VLCC earnings. Structurally, the VLCC orderbook remains at historically low levels (11.5% of fleet), while fleet aging continues, with ~18% of VLCCs now over 20 years old. This supply backdrop, paired with upcoming global emissions regulations, reinforces the long-term investment case for fuel-efficient tonnage. Notably, Bruton's two LNG dual-fuel (DF) VLCCs are among the few already positioned to meet forthcoming compliance standards—offering both operational and regulatory advantages in an evolving market landscape.

The crude tanker market experienced notable volatility in mid-2025, driven by escalating Middle East tensions and seasonal demand softness. Average tanker spot earnings fell to a five-month low in early June, before rebounding sharply to USD 40,845 per day in the middle-to-end of June. This was led by a surge in VLCC rates on the Middle East Gulf–China route, which exceeded USD 75,000 per day—the highest level in over two years. Contributing factors included increased war risk premiums, higher insurance costs, and vessel re-routing as owners avoided the region.

While the short-term boost from regional tensions may dissipate, underlying fundamentals continue to support a constructive outlook for the second half of the year. A key driver is the phased unwinding of OPEC+ production cuts. The group plan raised output by 400,000 barrels per day in July, followed by an additional 547,000 bpd in August. The net effective increase (adjusted for overproduction) for August is estimated at 340,000 bpd month-on-month, with roughly 240,000 bpd expected from the Middle East Gulf. Furthermore, the "group of 8" OPEC+ countries, in early August, announced another 547,000 bpd increase in production for September, marking the final leg in the unwinding of the first layer of 2.46 million bpd in voluntary OPEC+ production cuts. As domestic consumption in the region eases seasonally, combined with higher production, crude exports are projected to rise further from September onwards, which could support VLCC demand heading into Q4.

Sanctioned vessels have had a supportive impact on the crude tanker market, a trend that is expected to continue. 367 crude tankers have been sanctioned, including 124 VLCCs. This represents roughly 16% of the global crude tanker fleet and 13% of the VLCC segment. Ship tracking data indicates that sanctioned oil now accounts for approximately 40% of global floating storage, up from around 20% in April 2025. This highlights the increasing difficulty in moving sanctioned oil, which likely leads to more inefficient crude trade flows — ultimately a positive development for utilization of compliant crude tankers.

Since January 1st, 2025, the FuelEU Maritime regulation has come into effect, effectively placing a cost burden on non-compliant vessels trading within the EU. For instance, on the US Gulf–Rotterdam route, one of Bruton's LNG dual-fuel (DF) fitted VLCCs, fully compliant with FuelEU, can achieve daily savings of approximately USD 11,700 compared to a modern eco-design BDI VLCC (2024-built). This equates to annual cost saving potential of around USD 4.3 million per vessel—a clear illustration of the competitive advantage offered by compliant tonnage.

More consequential for the global tanker market is the upcoming IMO greenhouse gas (GHG) Fuel Standard (GFS). In April 2025, the IMO's Marine Environment Protection Committee (MEPC 83) reached a provisional agreement on "mid-term" measures aimed at aligning fuel regulations with the IMO's long-term GHG reduction targets—net-zero emissions by 2050. The final adoption vote is scheduled for October 2025, requiring support from two-thirds of IMO member states, representing at least 50% of global gross tonnage. According to leading brokerage houses, the vote is likely to pass, with implementation expected in 2028. Unlike FuelEU—which affects less than 20% of global marine fuel consumption—the GFS will apply globally, introducing a compliance system based on the carbon intensity of fuels consumed. Preliminary estimates indicate that for a standard 2010-built VLCC, GFS compliance costs on the Ras Tanura–Ningbo route could reach ~USD 4,600/day by 2028 (approx. USD 1.7 million/year) and ~USD 26,700/day by 2035 (approx. USD 9.8 million/year). In contrast, LNG DF vessels like the two Newbuildings in Bruton's fleet would incur zero compliance costs in 2028, and significantly lower costs thereafter.

Out of the 1,009 VLCCs currently on the water and in the orderbook (905 existing + 104 on order), only 37 are LNG dual-fuel capable (21 on the water, 16 on order), and 20 are fitted with other alternative fuel technologies. Bruton owns two of the LNG DF VLCCs, placing it in an advantaged position ahead of upcoming global compliance regimes.

Tanker fleet growth remained subdued in 1H25, with a 0.9% increase. This is expected to edge slightly higher in the second half, bringing full-year gross fleet growth to around 2.1%. In the VLCC segment specifically, only two vessels were delivered during the first half bringing the VLCCs on the water to 905 vessels, with four more scheduled for delivery in the second half, implying total annual growth of just 0.5%. As of Q2-end, the overall tanker orderbook-to-fleet ratio stood at 14.9%, while the VLCC ratio was 10.8%. The latter figure has since ticked up to 11.5%, representing 104 vessels. Meanwhile, the average VLCC fleet age has reached 12.9 years, and roughly 18% of vessels are over 20 years old—a figure which will exceed 20% by 2026 even with deliveries from the current orderbook. This aging profile highlights a growing pool of phase-out candidates and reinforces long-term supply-side support for the sector.

Newbuilding activity remains muted, with only 10 VLCCs ordered in the first half—equivalent to approximately 1% of the fleet. Scrapping has been non-existing year-to-date, meaning the expected phase-out of older vessels has yet to materialize. However, the structural aging of the fleet suggests a growing long-term scrapping tailwind.

Summary & Outlook

In summary, while geopolitical risks remain, the combination of rising Middle East exports, sanctions, constrained fleet growth, and seasonal demand strength is expected to continue supporting VLCC earnings through the remainder of 2025. Historically, meaningful newbuilding activity has only emerged during periods of sustained rate strength—something current fundamentals do not yet justify. With an aging global fleet and a historically low orderbook, the long-term supply outlook remains tight. Against this backdrop, we maintain a constructive view on the VLCC segment's earnings potential. Bruton's LNG dual-fuel VLCCs—among the few globally positioned for upcoming IMO fuel regulations—are well placed to capture both regulatory advantages and evolving trade opportunities in the years ahead.

Strategy

The Company's primary business is not limited to the ownership and operation of the Vessels, but is designed to capture value across multiple sectors, including industries characterized by significant cyclical market dynamics. Maritime sectors will serve as primary areas of interest, but the Company will remain open to opportunities in other industries where market fluctuations or other factors present favorable entry points. The Group's approach to M&A is opportunistic and strategic, targeting both individual assets, equity stakes in companies and specific private projects where the deployment of its financial and operational expertise can help unlock value.

Forward looking statements

This announcement includes forward looking statements. Forward looking statements are, typically, statements that do not reflect historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Bruton believes that these assumptions are reasonable, they are, by their nature, uncertain and subject to significant known and unknown risks, contingencies and other factors which are difficult or impossible to predict and which are beyond our control. Such risks, uncertainties, contingencies and other factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements included herein.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Bruton undertakes no and expressly disclaims any obligation to update publicly any forward-looking statements after the date of this press release whether as a result of new information, future events or otherwise.

About Bruton Limited

Bruton Limited is a company that will focus on business operations across industries characterized by cyclical market dynamics, with an initial emphasis on maritime assets. Leveraging strategic M&A expertise and experienced operational management partners, Bruton targets undervalued assets and equity stakes where its operational and financial support can drive growth. The business strategy is designed to align business operations with industry cycles and favorable market shifts. Bruton currently has two VLCC vessels on order from New Times Shipyard.

Responsibility statement

We confirm that, to the best of our knowledge, the interim condensed consolidated financial statements for the first half of 2025, which have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP) give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half year of 2025 includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

August 12, 2025

The Board of Directors
Bruton Limited
Hamilton, Bermuda

Bjorn Isaksen (Chairman of the Board)
Patrick Schorn (Director)
Mi Hong Yoon (Director)