



## PRESS RELEASE

### CAPITAL LINK GERMAN MARITIME FORUM

#### “German Shipping – Prospects in a Fast-Changing World” Digital Forum

Thursday, January 28, 2021

Time: 12:00 pm - 6:05 pm (Central European Time)

OUR FORUM IS NOW AVAILABLE IN REPLAY

<http://forums.capitallink.com/shipping/2021german/>

February 1st, 2021

[Capital Link's Annual German Maritime Forum](#) took place on **Thursday, January 28, 2021**, in **digital form**, with great success attracting over 1.600 participants from all over the world. The event was held **in partnership** with **DNV GL** and **with the support** of the **German Shipowners' Association (VDR)**, and enjoyed the overwhelming welcome and receptiveness both from the German and the global maritime communities.

Germany commands the fifth largest merchant fleet in the world and boasts the second largest container fleet with 14.4% market share by TEU. With 316 companies and 2,140 vessels, German Shipping plays a pivotal role in the European and global supply chain. The German maritime community has gone through significant change and transformation across the board (shipowning, shipmanagement, finance and more) further accelerated by regulation, technology, market forces and the pandemic.

The forum featured German industry leaders on the various panels sharing their insight on issues specific to the German Maritime Community/Cluster and also on critical global industry topics. The digital nature of the event opens it to a global audience and makes this approach highly relevant and effective.

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## AGENDA

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### WELCOME REMARKS:

- **Mr. Knut Ørbeck-Nilssen**, CEO - DNV GL Maritime, **Conference Chairman**
- **Mr. Nicolas Bornozis**, President - **Capital Link**

**Mr. Knut Ørbeck-Nilssen, CEO - DNV GL Maritime, Conference Chairman**, in his welcoming speech he stated: "Good afternoon ladies and gentlemen and a warm welcome to you all.

My name is Knut Ørbeck-Nilssen and I am the CEO of DNV GL – Maritime.

I am delighted to be here today for the opening of the inaugural Capital Link German Maritime Forum. The first of many such events I am sure.

Germany is a giant of global shipping and is deeply ingrained in the DNA of my own company.

I must say it is a real pleasure to be in the midst of some of the biggest industry players that global shipping has to offer.

But let me start by paying tribute to Nicolas, Capital Link's founder, CEO, President and all-round great guy.

Nicolas, I am very proud of our continued partnership and I am very much looking forward to what we will achieve together in the coming year.

Capital Link is well known for its magnetic ability for bringing together the best and the brightest minds of shipping under one roof to deal with the most pressing strategic challenges confronting our industry.

It is this quality of leadership which makes Capital Link such an attractive platform to partner with.

After all, being a trusted voice to tackle global transformations is the very essence of DNV GL's vision – a vision which has propelled us throughout our 157-year history.

Over the same time, this vision has gone hand-in-hand with our purpose to safeguard life, property and the environment.

They are as meaningful to DNV GL now as they were all those years ago, and the role of Class has never been more relevant.

“The decade of transformation”. “The exponential decade”. “Decade 4.0” - or my favorite: “The decade of collaboration and innovation”

Whichever name you wish to ascribe to the decade we now find ourselves in, we can all agree that shipping has never had to contend with so many complex and competing challenges. That's why collaboration and innovation make my priority list.

Scanning the morning headlines of the maritime press can sometimes feel like a dizzying experience:

“A new global regulation enters into force; a competing regional regulation is announced which threatens to undercut it; yet another company falls prey to a cyber-attack; a COVID outbreak closes offices; seafarers remain stranded; and pirates strike again in the Gulf of Guinea.”

Remaining competitive in the face of such complexity requires incredible foresight, meticulous planning and agility.

Bound as we are by the same disruptive forces of global transformation, it is vital that we ***pull together to confront common challenges.***

From financiers and charterers to cargo owners and fuel suppliers; every corner of our industry, whether big or small, has its role to play.

As a leading class society, DNV GL is committed.

From Hamburg to Shanghai, the doors to our offices are always open for those who would like to discuss how we can help ensure their fleet's safe and intelligent transition into this new era.

With that said, I will hand you over to Nicolas. Thank you for listening and enjoy what promises to be an excellent forum.”

**Mr. Nicolas Bornozis**, President - **Capital Link**, stated that this inaugural German Maritime forum surpassed all expectations reflecting the overwhelming welcome, response and receptiveness both from the German and the global maritime communities. He highlighted the top level agenda with an amazing gathering of leaders from the German shipping industry and a tremendous sign up of delegates from all over the world. This forum aims to showcase both the industry and though leadership of the German Maritime community and its prospects and outlook in a fast developing global industry. Mr. Bornozis paid special tribute to the support and partnership with DNVGL underscoring the strong and fruitful cooperation between the two organizations across all Capital Link’s Forums around the world. He also thanked the German Shipowners’ Association and the Forum sponsors, media partners and supporting organizations that helped with the materialization of this event. The intention of Capital Link is to repeat this forum on an annual basis.

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## PANEL & PRESENTATION TOPICS

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### THE GERMAN MARITIME CLUSTER - PAST - PRESENT - FUTURE

*The German Maritime Cluster has – to a significant extent – operated in a survival mode for the last 10 years, constantly fighting off the challenges that persisted from the height of the cycle. However, a number of key players of the German Maritime Cluster emerged as Winners and have positioned themselves as leading players in the global shipping industry. So what makes today’s and future Winners in Shipping? Consolidation, innovation, embracing new technology but also leadership and trust from all stakeholders? The panel will discuss winning strategies, main challenges ahead and how the German Maritime Cluster through cooperation and dialogue can produce more Winners.*

**Moderator: Mr. Thomas Mazur**, Partner - **Deloitte GmbH**

**Panelists:**

- **Mr. Thomas Rehder**, Managing Partner - **Carsten Rehder GmbH & Co.**; President - **European Community Shipowners’ Associations 2014-2015**
- **Mr. Michael Vinnen**, Managing Partner – **F.A. Vinnen & Co.**
- **Capt. Alfred Hartmann**, President – **German Shipowners Association**; Chairman – **Hartmann Group**
- **Dr. Martin Harren**, Managing Director – **Harren & Partner Group**; **SAL Heavy Lift & SAL Engineering**

**Mr. Thomas Mazur**, Partner - **Deloitte GmbH**, stated: “The German merchant fleet, being the 4th largest in the world, plays an important role for global trade. However, the German share in the global fleet is declining since 2013 and a turnaround is required to retain our leading position in the long-term. The German Maritime Cluster can benefit from the significant transport demand of the German export oriented Economy. However, this requires a clear customer focus. This is also what investors and lenders are looking for. Whether the strategy of a shipping company is based on scale or niche market, it needs to address and embrace three main challenges: Digitisation, Decarbonisation and sustainable success measurement to win the financiers’ support and the trust of all other stakeholders.”

**Capt. Alfred Hartmann**, President – **German Shipowners Association**; Chairman – **Hartmann Group**, stated: “After a uniquely challenging year for the shipping industry, Germany remains the world’s fifth biggest shipping nation with almost a five per cent share of the global maritime shipping fleet and a strong economic performance. A total of 2,073 ships were registered in Germany at the end of Q3 2020.

Despite the widespread challenges from Covid-19 disruption to the world economy, consumer activity and supply chains, 2020 ended with some spectacular market conditions for shipping, especially in container trades. Many container related shipping companies therefore have at least a cautiously optimistic outlook for the future. Following the crisis years in the German shipping cluster since 2008 and the partly painful process of coming to terms with them, with such outlook today many are fortunate in focusing positively on the future and the challenges it holds in store.

The “Mittelstand” remains Germany's surprising secret to economic success, also in shipping. Characterised by a large number of small to medium-sized enterprises (SME), with some 80 per cent of German shipping companies operating fewer than ten vessels, German shipowning and ship management remains on top of the list of global market leaders in international shipping. Besides favourable market conditions, the success of German shipping SMEs is partly also due to the competitive framework conditions apply to shipping companies headquartered in Germany.

Germany and its maritime cluster managed for years to withstand the fierce competition of countries trying to attract shipping activities around the world. We are hopeful that Germany will continue this success story. To remain a competitive shipping cluster, it will be vital for Germany and its shipping community to extend and future-proof its incentivizing framework of regulation, taking into account the global nature of shipping. The fiscal treatment of shipping companies, competitive labor-related costs, favorable training possibilities as well as access to maritime skills and services remain to be the key factors influencing decisions on whether or not to keep a shipping business headquarter in Germany and therefore influence the strength of the German shipping cluster.

We are confident that with the continuation and continuous expansion of these framework conditions, the German shipping industry will continue to be a reliable and leading partner for innovation and sustainable maritime growth in Germany and beyond.”

## ADDRESSING THE GLOBAL LOGISTICS & SUPPLY CHAIN CHALLENGE

**Moderator: Mr. Jan-Olaf Probst**, Executive Vice President - **DNV GL**

**Panelists:**

- **Mr. Mark Frese**, CFO - **Hapag Lloyd**
- **Mr. Horst Joachim Schacht**, Executive Vice President Sea Logistics - **Kuehne Nagel**
- **Mr. Christian Koopmann**, Managing Director - **PWL Group**; President - **German Shipbrokers Association**

**Mr. Jan-Olaf Probst**, Executive Vice President - **DNV GL**, stated: “Global transportation is a combination of different transportation modes. A typical door to transportation will start mostly by road, or by rail, while for the long-distance trade sea transportation is considered the most cost-effective and efficient transportation mode.

In this aspect, having a good port infrastructure combined with a well establish hinterland transportation is essential for the smooth running of the supply chain operations. The supply chain is the backbone of the global trade, and therefore it needs attention from governments to improve port’s infrastructure.

As many stakeholders are involved in the door to door transportation, reducing the administrative burden is crucial. Smoothing this process is key for the future of logistics & supply chain, and the use of blockchain is considered as an efficient solution.

This panel will discuss how global transportation is connected to sea transportation, and how achieving a good interaction between road, rail transportation and port infrastructure is one of main challenges facing this sector beside the grand decarbonization challenge.”

**Mr. Mark Frese**, CFO - **Hapag Lloyd**, stated: “The coronavirus pandemic has been a rollercoaster ride for the entire logistics industry for almost a year now, and imbalances in international trade flows remain a burden to many producers while pushing supply and production chains to their limits. Although we may see some future shifts in production in selected industries or risk diversification of manufacturing capabilities across countries as medium-term results, it is clear that this pandemic will not trigger a reversal of globalisation. Around 90 percent of global trade is carried by sea, and container vessels will remain the most important, efficient and eco-friendly mode of transportation for moving large volumes of goods or products to connect manufacturers and customers worldwide. Nevertheless, it is also very clear that we will need to make progress in terms of modernising our fleets, boosting the efficiency of existing propulsion and vessel systems, and exploring and adopting new technologies to reduce our industry’s environmental footprint. What’s more, we need to make even greater use of digital tools in infrastructure projects as

well as to identify and make targeted investments in precisely those points along the supply chains that hold significant potential for efficiency gains. At the same time, it is obvious that this will come at a financial cost, that we will have to create new pathways for bringing our clients along on this journey, and that the implementation of sustainable projects will also have to become more attractive on the green financing side. But if we manage to tackle these challenges, we will be able to take a major step towards a more environmentally friendly future.”

**Mr. Horst Joachim Schacht**, Executive Vice President Sea Logistics - **Kuehne Nagel**, stated: “Sustainability is a social responsibility and the duty of everyone. In line with this principle, Kuehne+Nagel has been continuing the company's sustainability strategy with an expanded focus since the end of 2019. With the new "Net Zero Carbon" programme, Kuehne+Nagel assumes responsibility for more sustainable logistics hand in hand with customers and partners. The programme replaces the previously successfully achieved environmental goals in "KN Green" from 2010.

Since 2020, the company compensates for its own CO2 emissions. The focus here is on reducing CO2 emissions through savings in water and energy consumption as well as recycling measures. Emissions that cannot be avoided are offset by investing in certified nature-based projects that work towards the Sustainable Development Goals (SDGs).

Another goal is to make all transports by suppliers in the Kuehne+Nagel network (airlines, shipping lines and haulage companies) CO2 neutral by 2030. The goal is being pursued through identification, avoidance, reduction and compensation of CO2 emissions.

Kuehne+Nagel works closely with customers, partners, suppliers and transport companies to reduce CO2 emissions from transport and optimise the sustainability of the entire supply chain. This enables the company to offer customers various solutions in a holistic approach to greener supply chains: From measuring emissions with industry-leading calculation methods, to proactive reduction through selection of lower-emission transport routes, completely emission-free loading with, for example, biofuel, to offsetting remaining emissions and corresponding creation of certificates.

Seaexplorer, developed by Kuehne+Nagel, is the first tool that creates CO2 visibility in maritime logistics. It gives customers insight into the CO2 emissions of various maritime transport services, regardless of the shipping company, and thus the possibility to choose the most environmentally friendly transport alternatives. The platform can show a CO2 savings potential of up to 50% for individual routes.”

**Mr. Christian Koopmann**, Managing Director - **PWL Group**; President - **German Shipbrokers Association**, stated: “The continued growth of the world's population and the rise of high-consumption segments of the population in the emerging economies will cause world trade to continue to grow further. Sea transport will also benefit from this, as it will continue to be the cheapest and most environmentally friendly mode of transport in terms of transport volume which cannot be replaced.

The division of labor mode of production will basically continue despite the COVID pandemic, as the cost advantages are too great and producers are thus closer to consumers. A reduction of emissions will only be achievable through technical developments and alternative fuels, which will basically make sea transport more expensive. However, the same is true for the other transport systems, but they are not able to substitute sea transport.

Digitization will help to effectively manage these transports in a cost-efficient way, but it will also change the professional reality for many people. Most certainly the platformization of logistics continues to advance, so consolidation in the freight forwarding industry will be the next step, having already seen this in shipping.

The general rate level in container shipping will not return to the low levels of the last ten years even after the COVID pandemic has been overcome. The losses in the last decade were too high for that and the shipping companies (tramp as well as liner) need financial resources to be able to invest in modern and climate-friendly ships.”



## GERMAN SHIPMANAGEMENT - WHAT'S NEXT

*The German shipmanagement market has gone through significant transformation over time. Major German firms have developed a global footprint offering shipmanagement services from industry hubs around the globe, while smaller German companies have been acquired by their global competitors. Besides discussing the latest trends and challenges in shipmanagement, the panel will also address critical topics such as how Germany can serve as a shipmanagement hub, whether the focus can be regional or global and how German firms can compete in this global business.*

**Moderator: Mr. Pino Spadafora**, Marine Commercial Senior Director - **RINA**

**Panelists:**

- **Mr. Mark O'Neil**, President - **Columbia Shipmanagement**, President - **InterManager**
- **Mr. Tim Ponath**, CEO - **NSB Group**
- **Mr. Ian Beveridge**, CEO - **Schulte Group**
- **Mr. Franck J. Kayser**, CEO - **V. Group**
- **Dr. Michael Silies**, CEO - **Wilhelmsen Ahrenkiel Shipmanagement**
- **Mr. Rob Grool**, CEO - **Zeaborn Ship Management**

**Mr. Pino Spadafora**, Marine Commercial Senior Director – **RINA**, went round the table to discuss with panelists what he viewed as the most notable topics concerning the present and the future of German shipping. He asked them to comment on the general trends and to bring their own experience and vision.

In particular, the moderator remarked how consolidation over the last years has led to an increasing concentration of the market, and also to a change in business models. Large companies are indeed diversifying their fleets, shifting from ownership to management, and expanding their service portfolio. They operate globally with worldwide networks testifying their progressive internationalization.

He also noted how access to capital, which has always been a plus of German shipping, is now oriented to green and sustainable projects, and wondered whether this can represent an opportunity to gain back the attention of investors.

Digitalization and innovation trends were also discussed, as a way for German Shipping to keep its identity of a big Cluster provider of services with high value and high tech contents. The joint venture between Wilhelmsen and Thyssenkrupp on Additive Manufacturing was mentioned, and in general the value of AM for shipping, and the likeliness that Hamburg and Germany can be a front runner for this technology.

Related to the evolution of technology, also the issue of competence and personnel education was touched, and the opportunity for Germany to stand up to its reputation as a pool of experts and young engineers and professionals.

Last but not least, Mr Spadafora raised the issue of the role of German Industry in shipping decarbonization, with German engine makers potentially at the forefront of fuel innovation.

**Mr. Tim Ponath**, CEO - **NSB Group**, stated: "Capital Link Forum held an inspiring conference with one of the panels gathering the main German ship management companies. I found really interesting how each company finds its own way to adapt to the new realities of international shipping. Be it: green shipping, innovation in operating or focusing on finding new talents. NSB GROUP is on this way already, looking into a sail application with AYRO on a LR1 tanker, awarded in Germany as "Innovator 2021", having a long-lasting cooperation with University of Hamburg and benefitting from our partnerships with Digital Hub Logistics and the Start-up-environment in Hamburg."

**Mr. Franck J. Kayser**, CEO - **V. Group**, stated:

### **"Global Graduate Development Programme – overview"**

- Global Graduate Development Programme started in October 2015
- 5 Cohorts each October (8 grads each year other than 5 in 2019)
- 37 graduates recruited from wide range of nationalities as well as gender diverse

## The Opportunity:

- An intensive 2 year Global Graduate Development Programme, designed to develop bright, ambitious and self-motivated graduates
- Our aim is to enable graduates to establish themselves as high performers who brings to life the behaviours and values of the business
- We want graduates to be great professionals who have the potential to become our future leaders
- Being on the Global Graduate Development Programme provides graduates:
  - with interesting and varied work in four different 6 month assignments
  - with exposure to numerous projects within our key Business Units and Corporate Functions
  - with the opportunity to learn and be part of our team in various global locations
- At the end of their 2-year programme, success is measured through the transition of our graduates into permanent roles, in an area of the organisation, identified as the best fit for their ongoing career path development.”

**Dr. Michael Silies**, CEO of **Wilhelmsen Ahrenkiel Ship Management (WASM)**, elaborated on the main reasons for forming the joint venture between MPC Capital and Wilhelmsen Ship Management. He explained that teaming up with a bigger organization allowed WASM to become more flexible in answering customer demands and to be closer to the vessels. He stated: “We have access to the largest maritime network globally, which is specifically an advantage in times of a global pandemic with all the travel restrictions in place.” In addition he emphasized the importance of the choice of the partner. According to his statement Wilhelmsen is the perfect match for MPC Capital, as both shareholders (1) are family driven with access to the capital markets, (2) share a similar company culture, (3) have complementary business fields/offices and (4) share also the same approach towards future trends. Based on a recently formed new joint-venture between Wilhelmsen and thyssenkrupp for the next phase of 3D printing in the maritime industry he emphasized the importance of additive manufacturing as contributor for smart shipping.

**Mr. Rob Grool**, CEO - **Zeaborn Ship Management**, stated: “How difficult has it been in the last months to manage our crew (relief and repatriation), their training and their social support? More difficult than you can imagine: I am totally amazed that in Zeaborn Ship Management we still managed to perform so many crew reliefs and put whole crews on new ships in management. The Neptune Declaration was launched this week: not a ripple in the press. Shipping does not win or lose votes, and it is simply not realised that shipping keeps the lights on in our world. Seafarers are Key Workers at any time – but look how they are being treated in many places around the world when they need to go home after doing their job on board. Compare that with how airline crews breeze through formalities, and get priority travel treatment. I sincerely hope that it does not take serious accidents involving over-tired seafarers to get attention for the crew relief problem.

Training via TEAMS has simply been brilliant – reaching so many people at the same time, in their own time-zone, at their convenience and really focus on the training issues. The new Seafarers Happiness survey results tell us what we already knew: a little bit more internet on board, a better gym on board, some crew comforts go a long way. We need seafarers to run the world’s fleet: we had better treat them well and with respect.”

## **NAVIGATING THROUGH INDUSTRY TRANSFORMATION - THE GERMAN SHIPOWNERS VIEWPOINT - Green Shipping - Technology & Digitalization - Fleet Renewal - Regulation - Geopolitics - Implications for Shipping Companies and Investors**

*This panel features leading shipowners sharing their insight on risks and opportunities across major shipping sectors, and on critical industry issues such as regulations, technology, access to capital and more. The panel will also debate investment opportunities across the various market segments.*

### **Introductory Remarks: TACKLING GLOBAL TRANSFORMATION**

**Mr. Knut Ørbeck-Nilssen**, CEO - **DNV GL Maritime**

## Panel Discussion:

**Moderator: Mr. Knut Ørbeck-Nilssen, CEO - DNV GL Maritime**

**Panelists:**

- **Mr. Nicolaus Bunnemann, CEO - Atlantic Lloyd**
- **Mr. Lucius Bunk, Founder & Managing Partner - Auerbach Schiffahrt**
- **Mr. Christoph Toepfer, Founder & CEO - Borealis Maritime**
- **Dr. Johann Killinger, Managing Partner – Buss Group**
- **Mr. Constantin Baack, CEO - MPC Containers**
- **Mr. Nikolaus Oldendorff - Managing Director - Reederei Nord GmbH; Co-Owner - Nord Group**

**Mr. Knut Ørbeck-Nilssen, CEO - DNV GL Maritime,** stated: “Germany is a titan of global shipping and one of the largest seafaring nations in the world. Despite suffering big blows following the 2008 financial crisis, German shipping has recovered incredibly well – and in spite of the pandemic. Best exemplifying this resilience is the container market, which made a stunning recovery in 2020.

“But like other nations, the challenge for the German maritime cluster is this: how to maintain safety and competitiveness in the transition towards digitalization and decarbonization. Pressure from financiers, charterers, legislators and the public is building for shipping to speed up this transition.

“There is no time to waste if we are to meet the IMO’s carbon reduction goals and shipowners must not delay in making decisions today that will protect their assets tomorrow. I strongly believe that the industry’s transition to a carbon neutral future starts with gas. Around 10% of newbuilds have been ordered with alternative fuel systems and LNG is leading the way.

“While gas isn’t the perfect longer-term solution, it offers the best possible bridge towards 2050, and I would encourage all shipowners to give it serious consideration in the context of their own individual needs.”

**Mr. Lucius Bunk, Founder & Managing Partner - Auerbach Schiffahrt,** stated: “When I look around on this panel I believe we all share the conviction that the biggest incentive is the understanding of the urgency of the matter. We know we have to act. We know we have to do our part to protect our global eco-system and do what can be done to contribute to reduce carbon emissions.

Apart from this shared belief and regulatory action - I see a shift of mindset not just in politics but also in the financial industry. The latest „Letter to CEO’s“ by Larry Fink (Blackrock) demands a focus on durable value and spends paragraph after paragraph to remind CEO’s of their responsibilities to actively address the climate change challenge. He is just one of many who is demanding global business leaders to work on and disclose their plans to reach the goal of net zero emissions. Transparency will be key.

Same is happening on the debt side - I had a chat with a friend at a large German commercial bank last week who said that the evaluation of any project is no longer limited to relevant financial KPI’s and the validation of supposed market trends but that assets and companies will be screened increasingly for their environmental footprint.

If we want to continue shaping this sector in the future we need to embrace the realities of what Larry Fink has labeled a „tectonic shift accelerating“ and regard the historic transition as opportunity rather than risk. Sentiment is changing all around. If we want to draw capital, keep our employees committed and continue to employ the best minds and grow successful businesses - we need to engage, collaborate and actively support efforts to decarbonize the industry.”

**Dr. Johann Killinger, Managing Partner – Buss Group,** stated: “I will open with good news: I am convinced that our industry will achieve the 50% reduction CO<sup>2</sup> emission by 2050 this is committed through the IMO. Quite frankly, I believe we have the opportunity to exceed this. Our industry will thus support the Paris Climate Accord.



The IMO, with its many and diverse shareholders, is not necessarily agile. I do expect, though, that we will see substantial regulations to curb CO<sup>2</sup> emissions implemented in the first half of this decade.

For 2050 and beyond I expect a variety of propulsion technologies to be in use:

In the short-sea segment I expect batteries will take the lead as the already proven technology is further improved. Also fuel cells will be common.

In deep sea trades I expect gas will replace heavy fuel oils as the dominant bunkers. Starting with LNG, we will move towards SNG as the dominant technology. The immediate emission-benefits are clear, and I expect dramatic improvements to the methane slip issues with the engines but also with gas extraction and logistics within the coming years. I expect the difficulties of sufficient supply will be solved within the next 15 to 20 years. SNG has the additional advantage that LNG technology and infrastructure can be used.

Ammonia and hydrogen will also play a role, but in both cases the logistics are substantially more difficult than for SNG. Further, Ammonia is a hazardous substance; and the lower energy density of hydrogen demands significantly more tank-space. Hydrogen can only be transported in liquid form at – 250 Co and is explosive.”

**Mr. Constantin Baack**, CEO - **MPC Containers**, stated: “Speaking to which opportunities German shipowners will need to capitalize on in order to remain competitive in the global shipping markets, Mr. Baack emphasized that the impending energy transition and related regulatory changes constitute both a key challenge and a unique opportunity. Shipowners looking to outlive the energy transition will need access to the proper tools and commercially viable technologies as well as access to multiple sources of funding in order to act swiftly in volatile markets. On a general note, Mr. Baack was encouraged to see that the German shipping industry appears well-positioned to contribute in finding global solutions and that its engineering, technology, research and development capabilities should continue to function as a relevant force in global shipping.

In relation to the planned introduction of the IMO’s EEXI and the measures MPC Container Ships is undertaking to future-proof its fleet, Mr. Baack emphasized that the forthcoming regulation forms part of a larger effort of crucial importance to reduce the shipping industry’s carbon footprint. For MPC Container Ships specifically, Mr. Baack exemplified several measures already on the agenda such as dedicated ship performance teams, active dialogue with customers and business partners as well as the constant pursuit of analyzing and monitoring various future propulsion systems and alternative fuels. Moreover, Mr. Baack highlighted transparency as an essential element embedded in MPC Container Ships’ code of conduct, corporate governance frameworks and sustainability reporting.”

**Mr. Nikolaus Oldendorff** - Managing Director - **Reederei Nord GmbH**; Co-Owner - **Nord Group**, stated: “Flexibility is King - Nord Groups ‘United Nations’ Crewing Approach and How Managing 31 Nationalities has helped in Times of COVID-19.

The current pandemic has presented big challenges to our daily operations. Supply chains although pushed to their limits have proven to be very resilient and the supply of every day goods for the global consumer has largely remained ample. Shipping companies and seafarers stranded on board for months have carried the brunt of the burden. So what have we, as Nord Group, done to tackle the COVID-19 crew change conundrum and to simultaneously keep the fleet moving?

We have long taken a “United Nations” approach to crewing. In sourcing seafarers from 31 different nations our personal officers have the flexibility to respond to the rapidly changing national COVID-19 regulations. Crew change procedures can be adapted to evolving flight plans by major airlines and the last mile can often be bridged by train or car.

Our diversified crewing approach also ensures that English is the prevailing language at all times. This not only helps with expanding the overall crewing pool to new shipping nations but it also offers cadets the possibility to deepen their own language skills.

Another strategy which has proven useful is to train our crews on different ship types. All seafarers are strongly encouraged to train on both bulk carriers and container ships in order to rise through the ranks. For aspiring captains and chief engineers it's even a requirement for promotion. This has again provided Nord Group with greater crewing flexibility in today's challenging environment. If seafarers from one nation are blocked from travelling we can draw on a pool of experienced others who can work on multiple ship types. Seafarers themselves appreciate the flexibility and training opportunity."

## THE EVOLUTION OF GERMAN BANK SHIP FINANCE

*The number of German ship financing banks has decreased over the past years. The panel will discuss how the few banks still active in this segment have defined their focus on certain segments of the business and what their expectations are for this business in 2021. Challenges will certainly include the effects of Covid-19 as well as trends of environmental and social governance and "green finance" but also the evolving regulatory framework and entering into force of "CRR II".*

**Moderator: Dr. Carolin Schmeding, Partner – EHLERMANN RINDFLEISCH GADOW**

**Panelists:**

- **Mr. Philipp Wuenschmann, Global Head of Shipping - Berenberg Bank**
- **Dr. Marco Albers, Head of Transport & Export Finance - DekaBank Deutsche Girozentrale**
- **Mr. Ilias Katsoulis, Head of Shipping - Structured Credit - Deutsche Bank**
- **Mr. Jan-Philipp Rohr, Global Head of Shipping - Hamburg Commercial Bank**
- **Mr. Sebastian Blum, Director Maritime Industries - KfW IPEX-Bank**
- **Mr. Jens Dose, Head of International Shipping - M.M. Warburg & Co.**

**Dr. Marco Albers, Head of Transport & Export Finance - DekaBank Deutsche Girozentrale,** stated that Ship Finance at DekaBank remains to be focused on projects with strong shipping corporates and young, energy efficient vessels. For selected shipping projects the bank is also utilizing its Asset Management capacities to sub-participate its Deka-managed senior debt funds for institutional investments.

Furthermore, in the last three years Deka increased its alternative ship lending activities by refinancing a number of Chinese leasing companies and thus, also indirectly supporting German shipping companies. "Apparently, Chinese leasing is a partial solution to bridge the funding gap which resulted also from the exit of some (German) shipping banks. Bank competition on such Chinese leasing structures, Tier 1 shipping names as well as ECA-covered projects remains high and margins in this segment are already back to pre-Covid levels."

Marco Albers also discussed about ESG trends and explained that DekaBank's sustainable corporate governance reflects the environmental developments already since 2013 in the form of a sustainability strategy, which is part and parcel of the business strategy and thereby also linked to the ship finance activities. "As we have for example not signed up for the Poseidon principles, we however already established our own specific Shipping ESG Principles around 4 years ago". He highlighted: "In 2020 we did the first, unsecured, not mortgaged ECA-backed scrubber financing."

**Mr. Ilias Katsoulis, Head of Shipping - Structured Credit - Deutsche Bank,** stated: "There is no doubt that the German bank ship finance market has undergone significant change in the last decade. However, as the shipping industry remains important in Germany, today local banks continue providing capital to ship owners both in Germany and abroad. Stakeholders in the shipping industry will continue to adapt to the impact of banking regulations such as CRR II, and will face challenges in such a dynamic market as well as opportunities such as transitioning to greener shipping. Deutsche Bank remains an active lender in shipping and is ready to support clients as they navigate the challenges and opportunities."

**Mr. Jan-Philipp Rohr, Global Head of Shipping - Hamburg Commercial Bank,** stated: "The shipping industry has changed dramatically in recent years since the financial market crisis and the subsequent shipping crisis. Hamburg Commercial Bank (HCOB) has learned its lessons from the crises. At the same time, the bank is convinced that financing ships can be an attractive business for all parties involved if the parameters are right.

HCOB's recent focus has been on refinancing existing loans and financing existing vessels. "For us, these are businesses that offer us sufficient collateral and do not contribute to further growth of the fleet. We are again open to new business this year – especially in these business areas," said Jan-Phillip Rohr. "It has become clear again recently that a good balance between the existing fleet and newbuildings is a key factor in achieving satisfactory rates."

Hamburg Commercial Bank concluded most of its deals with international clients last year. The prerequisites for this are substantial equity investments in each case as well as conservative risk structures. "We had a good shipping year in 2020," says Jan-Philipp Rohr. "In the three ship classes which are central to our portfolio – containers, bulkers and tankers – we have seen consistently positive developments despite the Corona crisis."

The Head of Shipping at Hamburg Commercial Bank is optimistic about the current year. "Demand for container transport remains strong, and for bulk carriers it will depend on whether China continues to order iron ore and coal as strongly as it has recently – the V-shaped recovery of the Chinese economy so far certainly points in that direction. Tanker charter rates may not reach the historic highs of 2020, but here too things look good for 2021 and 2022."

**Mr. Sebastian Blum**, Director Maritime Industries - **KfW IPEX-Bank**, stated: "The current Covid-19 crisis has proved how crucial the shipping industry is for the global economy, especially during a heavy storm such as the one triggered by the pandemic in 2020. Furthermore and very importantly for us as a bank, 2020 has shown that ship owners with sustainable business models and solid balance sheets need not be overly afraid of temporary economic downturns. In addition, rational measures like pooling of assets and consolidation e.g. in container shipping have helped to increase maritime companies' financial robustness.

KfW IPEX-Bank, which has been continuously active in shipping for decades, is more than happy to have supported a lot of shipping companies on this positive path.

But new challenges are facing the maritime industry and won't disappear tomorrow:

International trade tensions and sanctions, digitalisation and - most importantly - decarbonisation, which is necessary to make shipping greener and to contribute to the climate targets.

We are convinced that we can master these challenges if innovative suppliers, ship owners and financial institutions join forces.

KfW IPEX-Bank is pleased to see that European equipment providers and shipyards are leading innovators for LNG propulsion and hybrid systems. And even better: they don't stand still, they are also exploring alternative fuels like ammonia, hydrogen, methanol to offer the best suited technology for the needs of each shipowner and their respective fleets.

KfW IPEX-Bank is already one of the leading players in financing fuel-efficient vessels and retrofits with ECA insurance or commercially. We are keen to further actively contribute to a more sustainable shipping world by structuring smart, tailor-made and green financing solutions."

**Mr. Jens Dose**, Head of International Shipping - **M.M. Warburg & Co.**, stated: "German Ship Finance has seen a dramatic change over the past few years. Many banks have left the market; the volume of ship finance has decreased substantially. M.M.WARBURG & CO has been in ship finance for decades, but has completely changed its profile over the last five years.

Since 2016, and under the lead of Jens Dose and Christian Speer, WARBURG SHIPPING has focused on a niche, which has become more and more attractive over the years. We have been able to build up a very healthy lending portfolio with German and international shipowners and shipmanagers who do not only provide sufficient equity for their projects. They do entrust us with what we can do best, providing the core banking services, mainly cash management for shipping companies. Again, an area where many competitors left the market.

Financing of a newbuilding is not an issue for large entities like the container liner companies who are able to get unbelievable cheap money at high LTVs, just like in pre-crisis times. We are a family owned bank and we enjoy working with family businesses having skin in the game. Briefly, these days we finance: liquid assets like second hand containerships, dry bulk carriers or tankers up to max 20 years of age for single or multi asset SPVs on a non-recourse basis, LTVs of max 40-55% upon drawdown, max. 60% during the lifetime, up to 5 years, loan amounts typically between USD 3-25 mn.

We have been hiring more people for our finance and service activities and we want to grow this business further during the years to come. So far, for a good number of transactions we have already invited also institutional partners who like our conservative risk approach and our expertise – and we will further increase this business.

Private asset backed shipping debt is becoming a more and more attractive asset class. So we can combine two of our most important client groups: shipping companies and institutional investors, while being the ship financier and debt asset manager at the same time.”

## **IS GERMANY BECOMING THE EUROPEAN HUB FOR ALTERNATIVE FINANCE FOR GLOBAL SHIPPING?**

*An increasing number of international credit providers establish an operating presence in Germany, taking advantage of the footprint and resources of the German maritime cluster, providing access to a multitude of non-bank alternative finance credit sources. The panel will discuss the reasons behind this trend as well as the product offerings by the various providers.*

**Moderator: Dr. Clemens Hillmer, Partner, Watson Farley & Williams LLP**

**Panelists:**

- **Mr. Elias Sakellis, CEO - Australis Maritime**
- **Mr. Cruise Chi, Executive Managing Director - Bocomm Shipping Leasing (Europe) GmbH**
- **Mr. Axel Siepmann, Managing Director - Braemar Naves**
- **Mr. Martin Hugger, Managing Director - Meerbaum Capital Solutions**
- **Mr. Maximilian Otto, Co-Founder & Managing Director - Oceanis**
- **Mr. Oliver Faak, Partner & Head of Europe - Transport Capital**

**Dr. Clemens Hillmer, Partner and Head of the German Asset and Structured Finance practice group at Watson Farley & Williams LLP, stated:** “Even after the exit of many of the German ship finance banks from shipping, there are still many market participants in Hamburg which are experienced and still very active in shipping. They know how to structure and finance a shipping transaction and to operate a vessel. Considering the talents Hamburg has, the network of the market participants, the high standard of living in Hamburg at relatively low cost and the central location of Hamburg in Europe, I have no doubts that Hamburg will again play a more and more important role providing alternative financiers a perfect hub for their business.”

**Mr. Elias Sakellis, CEO - Australis Maritime, stated:** “Congratulations to Capital Link for yet another successful event. From Australis Maritime’s perspective we believe that the ship financing market developments over the last few years, and in particular the last 12 months, have clearly evidenced the need for alternative financing to serve the global shipowning community. In this respect, Hamburg is unquestionably in pole position to become one of the key hubs for such alternative financing for two key reasons: Firstly, Hamburg has a long tradition and home grown talent in terms of ship financing, and therefore the human capital and the experience is available to grow this product. Secondly, Hamburg is also in the process of transforming itself into a global centre for high-quality 3rd party technical management serving institutional but also small and medium sized owners, which in turn creates very interesting origination synergies for the alternative financing product. At Australis Maritime we are very fortunate to have an office in Hamburg, and are looking forward to continuing to work with the local owners, advisors, and banks for years to come.”

**Mr. Axel Siepmann, Managing Director - Braemar Naves, stated:** “Given the fact that large parts of the German shipping industry have been in restructuring and recapitalisation mode since 12 years, there is a lot of know how to arrange and structure financing for the maritime industry. Such know how can be made available to other geographies

of course. At Braemar we regard Germany as an important part of our global network which is required to source capital internationally as to best support our clients.”

**Mr. Martin Hugger**, Managing Director - **Meerbaum Capital Solutions**, stated: “With the traditional German sources of competitiveness, which were access to low priced loans (from state-guaranteed and state-owned banks), state subsidies in the form of tax incentives and access to equity funding from equity investors with low return requirements not available at this moment, Hamburg’s success as maritime cluster relies on its people and their motivation and innovativeness alone.

Based on a long shipping tradition and its past as centre of traditional ship finance, Germany has a large pool of professionally qualified staff with expert knowledge in maritime services. After many years of crisis, there has been a selection process during which some maritime experts became even deeper connected with each other across different parts of the industry while many others moved elsewhere.

The remaining community has now a high global and local connectivity, is innovative and small enough to form the network that is essential to get things done. Many of these people are sufficiently self-motivated and have the ability and willingness to compete on a global basis with other hubs of maritime finance in Asia, the US and Europe. We can build on that and be competitive on a global basis, based on the mutual understanding that we are part of that global marketplace and need to be globally competitive, preferably better in the services provided by us than by other clusters worldwide.”

**Mr. Maximilian Otto**, Co-Founder & Managing Director - **Oceanis**, stated: “Germany has for many years been one of the key markets for alternative debt with extensive infrastructure in place to facilitate transactions, though some actions can still be taken to improve its competitiveness inside Europe.

A strong network of lawyers and transaction advisory services, twinned with a high degree of technical management capacity and know-how, provides a strong base for ongoing business. The role of traditional German banking institutions is particularly vital. In addition to providing account and cash-management services, some banks are providing back-leverage to alternative debt funds to the lower the cost of capital for shipowners.

This credit supply squeeze stands to benefit alternative finance providers even further as whole fleets financed by bank loans in prior years will need to tap into the alternative market for refinancing, through vehicles from credit funds to leasing houses.

However, the picture is not exclusively positive. While Germany’s transaction advisory infrastructure is well-developed today. Fewer young professionals are joining the industry, potentially resulting in a loss of human capital as more experienced professionals retire.

Limited demand by credit funds for facilities under \$10m fails to match up with the \$5 - \$10m refinancing facilities needed by German SME owners.”

**Mr. Oliver Faak**, Partner & Head of Europe - **Transport Capital**, stated: “Although one easily can dispute the value of such a superlative, Germany and in particular Hamburg has been from its start in the last century, ‘the’ global center of traditional shipping debt finance.

The emergence of the financial crisis immediately followed by a severe and lasting turmoil in the shipping markets had marked a turning point. Looking back, the negative impacts of this deep cut on traditional shipping finance on the other hand have laid the foundation for alternative shipping finance.

While German banks have had to manage their performing as well as non-performing, shipping loan exposures down, a consequential need & demand for alternative sources of debt has arisen. This demand coupled with other competitive factors such as, access to skilled human resources, general infrastructure and moderate cost base have led to an emergence and steady growth of alternative financiers.



Today's financing market is predominantly driven by shipowners who have left their rather burdened legacy behind and are now seeking financing for new projects.

Transport Capital as an intermediary structures clients' capital needs and channels the respective requests to a range of traditional and alternative financiers. From being an exclusive agent of the German DekaBank in selected markets, to covering International credit funds and Asia-based lending institutions, Transport Capital provides a greatest possible universe of potential capital providers to support the shipping industry."

## TRANSITIONING FROM KG TO A NEW PROJECT & ASSET MANAGEMENT MODEL IN SHIPPING

**Moderator: Dr. Jan Dreyer, Partner - ARNECKE SIBETH LABELSTEIN**

**Panelists:**

- **Mr. Bastian Hagebeuker, Partner - Blue Star Group**
- **Mr. Wilke Briese, CEO - Briese Schiffahrts**
- **Mr. Christian Rychly, Managing Director, Maritime - MPC Capital**
- **Mr. John Wessel, Managing Director - Oldendorff Overseas Investments**

**Mr. Christian Rychly, Managing Director, Maritime - MPC Capital, stated:**

### "ACTIVE MANAGEMENT OVER THE FULL LIFECYCLE OF THE ASSET"

- "Experienced team which has structured hundreds of shipping investments and can demonstrate a proven track record in different investment strategies.
- Significant pipeline based on a strong market position or solid partnerships
- Deep expertise in the core shipping segments - in-house technical and commercial management (not necessarily alone – MPC has teamed up with excellent industry partners in joint ventures such as Harper Petersen or Albis on the commercial side or Wilhelmsen Ship Management on the technical side and these partnerships create a lot of new opportunities and provide access to large global networks)

### PUBLIC LISTING REPRESENTS SIGNIFICANT ADVANTAGES FOR THE CHALLENGES AHEAD

- Established different platforms to provide tailored investment solutions for the different types of investors. Across asset classes that includes public offerings, private placement strategies and joint ventures on 50/50 basis
- MPC Container Ships - raised significant equity on the basis of a listing in Oslo and built the #1 owner of feeder container ships globally. The energy transition requires a transformation of the fleet and since the industry is confronted with a lack of cost-effective capital, having access to capital via the public markets is going to be an advantage to end our industries dependence on fossil fuels.

Significant expertise available in Germany and consolidation drives the professionalism and the competitiveness of the different companies vis a vis their counterparts in other locations. Except for the propulsion we don't see tectonic shifts in the industry and we will continue to develop new strategies based on the cyclicity of our business but also use the potential and demand for improved efficiency in the fleet which leaves opportunities to invest in new technology."

**Mr. John Wessel, Managing Director - Oldendorff Overseas Investments, stated:** "It is a pre-condition to asset management to bring along an investor mindset and make sure that your company has sufficient operational depth in order to cater to different investor profiles and provide a seamless and competent risk management for the investor. In addition asset managers need to bring more to the table than just ship management. This could be a wide industry network resulting in off market opportunities or access to funding, strong commercial capabilities (like pools or access to cargo) or a strong Balance Sheet and the ability to significantly to co invest. Ideally an asset manager can offer an attractive combination of all of the previous points.

While different Asset Management approaches have different merits, it is important not to lose focus of the most important aim when it comes to shipping investments: buy cheap and sell high and control costs. For the future Mr Wessel predicts that due to low or negative interest rates environment which resulted in a bond market which doesn't offer any return and strong price increases in almost all asset classes from Equity markets to Real Estate, investors might soon turn to Shipping markets, which have remained fairly untouched by the recent rally. In comparison to these markets, selected shipping investments currently offer an attractive risk return profile."

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## PARTICIPATING COMPANIES

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ARNECKE SIBETH DABELSTEIN • Atlantic Lloyd • Auerbach Schifffahrt • Australis Maritime • Berenberg Bank • Bocomm Shipping Leasing (Europe) GmbH • Borealis Maritime • Braemar Naves • Briese Schifffahrts • Buss Group • Carsten Rehder GmbH & Co • Columbia Shipmanagement • DekaBank Deutsche Girozentrale • Deloitte GmbH • Deutsche Bank • DNV GL Maritime • EHLERMANN RINDFLEISCH GADOW • F.A. Vinnen & Co. • German Shipowners' Association • Hamburg Commercial Bank • Hapag Lloyd • Harren & Partner Group; SAL Heavy Lift & SAL Engineering • Hartmann Group • InterManager • KfW IPEX-Bank • Kuehne Nagel • M.M. Warburg & CO • Meerbaum Capital Solutions • MPC Capital • MPC Containers • NSB Group • Oceanis • Oldendorff Overseas Investments • PWL Group • Reederei Nord GmbH / Nord Group • RINA • Schulte Group • Transport Capital • V.Group • Watson Farley & Williams LLP • Wilhelmshen Ahrenkiel Shipmanagement • Zeaborn Ship Management

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## **ORGANIZERS**

Founded in 1995, Capital Link is a New York based investor relations, financial communications and advisory firm with a strategic focus on the maritime, commodities and energy sectors, MLPs, as well as Closed-End Funds and ETFs. Based in New York City, Capital Link has presence in London, Athens & Oslo. Capital Link is a member of the Baltic Exchange and works very closely with the New York Stock Exchange, NASDAQ and the London Stock Exchange as well as with major international and supranational organizations and industry associations in the areas of the firm's strategic concentration.

Our proactive approach, which integrates Investor Relations, Information Technology and Media, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms. Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events. Capital Link is also known for the organization of large scale, high quality Investment Forums focusing on maritime transportation and U.S. investment products in key industry centers, such as New York, London, Germany, Athens, Limassol, Shanghai, Singapore, Tokyo and Hong Kong. The Capital Link Investment Forums feature industry leaders and draw the elite of the global financial and investment communities. The Capital Link brand is widely-recognized and valued worldwide by participants in these communities for combining rich informational and educational content with as well as superior networking opportunities. In addition to conferences, Capital Link organizes Webinars focusing on investment strategies, sectors, critical topics of interest to the investment community and company presentations. Capital Link's global marketing platform enhances the visibility and reach of these events on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyd's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.