

Grindrod Shipping Holdings Ltd.
Abbreviated Name: GRINSHIP
Registered in Singapore with registration number 201731497H
JSE Share code: GSH
ISIN: SG9999019087
Primary listing on NASDAQ Global Select Market
Secondary listing on the JSE Main Board

Grindrod Shipping Holdings Ltd. Announces Unaudited Financial Results For the Three Months and The Year Ended December 31, 2022

On 15 February 2023, Grindrod Shipping Holdings Ltd. (NASDAQ: GRIN) (JSE: GSH) (“**Grindrod Shipping**” or “**Company**” or “**we**” or “**us**” or “**our**”), a global provider of maritime transportation services predominantly in the drybulk sector, today announced its earnings results for the three months and the year ended December 31, 2022.

Financial Highlights for the Three Months Ended December 31, 2022

- Revenues of \$81.4 million
- Gross profit of \$23.0 million
- Loss for the period from continuing operations and attributable to owners of the Company of \$4.6 million, or \$0.24 per ordinary share
- Adjusted net income of \$10.6 million, or \$0.56 per ordinary share⁽¹⁾
- Adjusted EBITDA from continuing operations of \$32.2 million⁽¹⁾
- Handysize and supramax/ultramax TCE per day of \$14,427 and \$21,739, respectively⁽¹⁾

Financial Highlights for the Year Ended December 31, 2022

- Revenues of \$460.5 million
- Gross profit of \$166.8 million
- Profit for the year from continuing operations and attributable to owners of the Company of \$103.4 million, or \$5.45 per ordinary share
- Adjusted net income of \$121.1 million, or \$6.39 per ordinary share⁽¹⁾
- Adjusted EBITDA from continuing operations of \$204.0 million⁽¹⁾
- Handysize and supramax/ultramax TCE per day of \$22,115 and \$25,788, respectively⁽¹⁾
- Year-end cash and cash equivalents of \$46.6 million and restricted cash of \$10.0 million

⁽¹⁾ *Adjusted EBITDA, Adjusted net income and TCE per day are non-GAAP financial measures. For the definitions of these non-GAAP financial measures and the reconciliation of these measures to the most directly comparable financial measure calculated and presented in accordance with GAAP, please refer to the definitions and reconciliations in “Non-GAAP Financial Measures” at the end of this press release.*

Operational & Corporate Highlights for the Three Months Ended December 31, 2022

- On October 11, 2022, we exercised the option to extend the firm charter-in period of the 2020-built supramax bulk carrier, *IVS Atsugi*, for 12 months at \$12,950/day, starting from December 23, 2022.
- On October 12, 2022, we announced that we had entered into a Transaction Implementation Agreement (“TIA”), dated as of October 11, 2022, between the Company, Taylor Maritime Investments Limited (“TMI”) and Good Falkirk (MI) Limited, a wholly-owned subsidiary of TMI (“the Offeror”), providing for a voluntary conditional cash offer (“the Offer”) to be made by the Offeror for all of the issued ordinary shares in the capital of the Company. Under the terms of the Offer, shareholders of the Company were entitled to receive the offer price of US\$21.00 in cash for each Share tendered in the Offer. Under the terms of the Implementation Agreement, subject to the conditions to the Offer being satisfied (or, to the extent permitted, waived) as of the expiration time of the Offer, the Company agreed to declare and pay a special dividend of US\$5.00 per Share (“Special Dividend”) to shareholders of record as of November 25, 2022.
- On November 29, 2022, the initial Offer made by the Offeror on October 28, 2022, expired. All shares that were validly tendered were accepted for payment, following which TMI owned approximately 73.78% of the shares of the Company.

A subsequent offer period began immediately thereafter and expired on December 19, 2022. On expiration of the subsequent and final offer period, TMI held approximately 83.23% of the outstanding shares of the Company.

- On December 5, 2022, in accordance with the terms of the TIA and further to the conditional dividend declaration made on October 28, 2022, we instructed our transfer agents to pay and distribute a special dividend of \$5 per share to each holder of shares as of November 25, 2022.
- On December 8, 2022, we announced that effective from December 6, 2022, Mr. Michael John Hankinson and Mr. Murray Paul Grindrod had retired as Directors of the Company in accordance with the terms of the TIA. Mr. Hankinson accordingly relinquished his positions as Chairman of the Board, member of the Audit and Risk Committee (“ARC”) and member of the Compensation and Nomination Committee (“CNC”). In conjunction with these departures and the appointment of Mr. Hankinson’s and Mr. Grindrod’s replacements, the Board was also expanded by the appointment of three further Directors. This resulted in a total of five new appointments, namely Dr. Kurt Klemme, Ms. Rebecca Brosnan, Mr. Charles Maltby and Mr. Cullen Schaar as independent, Non-Executive Directors of the Company; and Mr. Edward Buttery as non-independent, Non-Executive Director, each to hold office with effect from December 6, 2022. Mr. Quah Ban Huat relinquished his position on the CNC but remains the Chairman of the ARC. Mr. John Herholdt relinquished his position on the ARC but remains as Chairman of the CNC.
- On December 16, 2022, we announced that effective from December 14, 2022, the Board had agreed to expand itself by one additional director and had appointed Mr. Alan Hatton as an independent, Non-Executive Director of the Company to fill the position. The Board currently consists of a total of ten members, including seven independent directors.
- On December 22, 2022, we entered into a contract to sell the 2015-built ultramax bulk carrier, *IVS Hirono*, for \$23.75 million (before costs) with delivery to her new owners planned on or about March 31, 2023.
- On December 29, 2022, we extended the short-term charter-in on the 2021-built ultramax bulk carrier, *Aries Karin*, for a period of 24 months with one 1-year option to extend. The vessel was previously chartered-in by the Company on a short-term basis and entered the new contract in direct continuation from her previous charter. Due to the length of the new charter-in period, *Aries Karin* is now part of the long-term charter-in fleet of the Company.

Recent Developments

- On February 15, 2023, the Company’s Board of Directors declared an interim quarterly cash dividend of \$0.03 per ordinary share, payable on or about March 17, 2023, to all shareholders of record as of March 10, 2023 (the “Record Date”). As of February 15, 2023, there were 19,472,008 common shares of the Company outstanding. In view of the Record Date of March 10, 2023, shareholders may not reposition shares between the JSE and the U.S. Register during the period from March 8, 2023, at 9.00 a.m. (South African time) until March 13, 2023, at 9.00 a.m. (South African time).
- As of February 10, 2023, we have contracted the following TCE per day for the first quarter of 2023⁽¹⁾:
 - Handysize: approximately 1,035 operating days⁽²⁾ at an average TCE per day of approximately \$9,888
 - Supramax/ultramax: approximately 1,127 operating days⁽²⁾ at an average TCE per day of approximately \$11,897
- As of February 10, 2023, the average long-term charter-in costs per day for the supramax/ultramax fleet for the first quarter of 2023 is expected to be approximately \$14,593/day.⁽³⁾

⁽¹⁾ TCE per day is a non-GAAP financial measure. For the definition of this non-GAAP financial measure and the reconciliation of this measure to the most directly comparable financial measure calculated and presented in accordance with GAAP, please refer to the definitions and reconciliations in “Non-GAAP Financial Measures” at the end of this press release.

⁽²⁾ Operating days: the number of available days in the relevant period a vessel is controlled by us after subtracting the aggregate number of days that the vessel is off-hire due to a reason other than scheduled drydocking and special surveys, including unforeseen circumstances. We use operating days to measure the aggregate number of days in a relevant period during which vessels are actually available to generate revenue.

⁽³⁾ Long-term charter-in costs is defined as the lease payments, including interest, relating to chartered-in vessels included in our fleet from time to time, which are vessels for which the period of the charter that we initially commit to is 12 months or more, even if at a given time the remaining period of their charter may be less than 12 months (“long-term charter-in vessels”). Such long-term charter-in costs, divided by the number of operating days for the relevant vessels during the period, is long-term charter-in costs per day.

CEO Commentary

Stephen Griffiths, the Interim Chief Executive Officer and Chief Financial Officer of Grindrod Shipping, commented:

“The fourth quarter of 2022 marked a significant milestone for Grindrod Shipping as TMI launched its voluntary tender offer for all of the ordinary shares of the Company, reaching over 83% ownership at the closing of the Offer. The transaction brought to a successful conclusion a year-long process of the Grindrod Shipping Board evaluating strategic alternatives for the Company and its shareholders. In conjunction with the closing of the transaction, we also welcomed six talented and experienced new members to our enlarged Board of Directors and believe the Company is well positioned for the future.

From a financial perspective, 2022 represented another stellar year with net profits in excess of \$100 million for the second year in a row. The fourth quarter on the other hand reflected the progressive weakening of the drybulk markets into the close of the year and was further impacted by certain nonrecurring cash and non-cash expenses associated with the tender offer. As a result of the weaker markets and the special dividend already paid in fourth quarter, the Board elected to declare a base quarterly dividend of \$0.03 per share for the fourth quarter. Together with the special dividend and previous quarterly dividends in the first half of the year, the Company will have paid a total of \$6.34 per share in dividends with respect to 2022.

As we look forward, the Company will be prioritizing net debt reduction and liquidity flexibility, particularly as the seasonally weaker first quarter has not rebounded materially after the conclusion of the Lunar New Year holidays in Asia. As already recently disclosed, we have committed to reduce our leverage, which may include further ship sales. We are also keenly evaluating ways to create better economies of scale and operating margins for the benefit of all of GSH's shareholders by optimizing the integration of our businesses and operations.”

Headline earnings and Headline earnings per share

The Johannesburg Stock Exchange, or JSE, requires that we calculate and publicly disclose Headline earnings per share and diluted Headline earnings per share. Headline earnings per share is calculated using net income which has been determined based on IFRS. Accordingly, this may differ to the Headline earnings per share calculation of other companies listed on the JSE because such companies may report their financial results under a different financial reporting framework such as U.S. GAAP.

Headline earnings for the period represents profit for the period attributable to owners of the Company adjusted for the re-measurements that are more closely aligned to the operating or trading results as set forth below, and Headline earnings per share represents this figure divided by the weighted average number of ordinary shares outstanding for the period.

The table below presents a reconciliation between (Loss) profit for the period attributable to owners of the Company to Headline earnings for the three month period ended December 31, 2022 and 2021 and year ended December 31, 2022 and 2021.

(In thousands of U.S. dollars, except per share data)	Three months ended		Year ended	
	December 31,		December 31,	
	2022	2021	2022	2021
(Loss) profit for the period attributable to owners of the Company	\$ (4,582)	\$ 52,800	\$ 103,367	\$ 118,925
Adjusted for:				
Impairment loss (reversal of) recognized on ships	2,366	-	(1,707)	(3,557)
Impairment loss (reversal of) recognized on right-of-use assets	985	-	985	(1,046)
Impairment loss recognized on goodwill and intangibles	-	-	-	965
Impairment loss recognised on office equipment, furniture and fittings and motor vehicles	-	1	-	1
Impairment loss on net disposal group	-	-	-	2,551
Loss on disposals of business	-	-	-	26
Headline (loss) earnings	(1,231)	52,801	102,645	117,865

Weighted average number of shares on which the profit per share and headline earnings per share has been calculated	19,160,608	18,956,127	18,949,972	19,150,787
Effect of dilutive potential ordinary shares	-	861,834	-	861,834
Weighted average number of ordinary shares for the purpose of calculating diluted profit per share and diluted headline earnings per share	19,160,608	19,817,961	18,949,972	20,012,621
Basic (loss) profit per share	\$ (0.24)	\$ 2.79	\$ 5.45	\$ 6.21
Diluted (loss) profit per share	(0.24)	2.66	5.45	5.94
Basic headline (loss) earnings per share	\$ (0.06)	\$ 2.79	\$ 5.42	\$ 6.15
Diluted headline (loss) earnings per share	(0.06)	2.66	5.42	5.89

Interim Dividend

The relevant dates for the payment of dividend number 6 are as follows:

Declaration date on NASDAQ	Wednesday, 15 February 2023
Declaration and Finalisation date announcement on SENS before 09:00	Thursday, 16 February 2023
Last day to trade cum-dividend (JSE)	Tuesday, 7 March 2023
Last day to trade cum-dividend (NASDAQ)	Wednesday, 8 March 2023
Shares commence trading ex-dividend (JSE)	Wednesday, 8 March 2023
Shares commence trading ex-dividend (NASDAQ)	Thursday, 9 March 2023
Record date (JSE and NASDAQ)	Friday, 10 March 2023
Payment date (JSE and NASDAQ)	Monday, 20 March 2023

Shareholders registered on the South African section of the share register will not be allowed to dematerialise or rematerialise their shareholdings, and transfers between the NASDAQ and South African register will not be permitted between Wednesday, 8 March 2023 and Friday, 10 March 2023, both dates inclusive

Additional information for South African resident shareholders of Grindrod Shipping Holdings Ltd.

- Shareholders registered on the South African branch register are advised that the distribution of US\$0.03 per ordinary shares will be converted to Rands using the USD/Rand spot rate from Standard Chartered Bank (Singapore) Limited, as determined on close of business on Wednesday, 15 February 2023, of 17.95245. This will equate to a gross dividend of ZAR53.85735 cents per share.
- Grindrod Shipping Holdings Ltd. tax reference number: 201731497H.
- The issued ordinary share capital of Grindrod Shipping Holdings Ltd. is 19,472,008 ordinary shares and the Company has nil ('0') treasury shares as at 15 February 2023.
- The dividend will be distributed by the Company, from distributable profit reserves and is regarded as a "foreign dividend" (as defined in the South African Income Tax Act No. 58 of 1962) for South African resident shareholders holding shares on the South African branch register.
- Singapore does not impose withholding tax on dividends.
- Dividends declared and paid by the Company to South African resident shareholders holding shares on the South African branch register are subject to South African dividend tax ("SA DWT") of 20% (subject to any applicable exemptions that may apply). The net dividend to South African resident shareholder who are not exempt from SA Tax, equates to ZAR43.08588 cents per share.
- Dividends will be paid net of SA DWT, to be withheld and paid to the South African Revenue Service. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary document proof to the regulated intermediary (being a broker, CSD participant, nominee company or the Company's transfer secretaries Computershare Investor Services (Pty)

Ltd., Private Bag x9000, Saxonwold, 2132, South Africa) that they are exempt therefrom, or entitled to a reduced rate, as a result of any relevant double taxation agreement between South Africa and the country of tax domicile of such owner.

Short-form announcement

The full announcement includes the contents of the Report on Form 6-K as filed with the SEC on February 15, 2023, being the earnings results of Grindrod Shipping Holdings Ltd. for the three months and full year ended December 31, 2022.

This short-form announcement is the responsibility of the directors of the Grindrod Shipping Holdings Ltd.

This short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of, inter alia, the full announcement.

The full announcement has been released on SENS on February 16, 2023 and is available for viewing on the Company's website (www.grinshipping.com) and at

<https://senspdf.jse.co.za/documents/2023/jse/isse/GSHE/GRINQ42022.pdf>

The full announcement is available for inspection at the offices of the Company (200 Cantonment Road, #03-01 Southpoint, Singapore 089763) and the offices of the Sponsor, Grindrod Bank Limited (Grindrod Tower, 8A Protea Place, Sandton, 2196), at no charge during normal office hours on business days following its release on February 16, 2023.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act 1995 with respect to Grindrod Shipping's financial condition, results of operations, cash flows, business strategies, operating efficiencies, competitive position, growth opportunities, plans and objectives of management, and other matters. These forward-looking statements, including, among others, those relating to our future business prospects, revenues and income, are necessarily estimates and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors, including those set forth below. Words such as "may," "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates," and variations of such words and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Grindrod Shipping at the time these statements were made. Although Grindrod Shipping believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Grindrod Shipping. Actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those estimates or projections contained in the forward-looking statements include, without limitation, Grindrod Shipping's future operating or financial results; the strength of world economies, including, in particular, in China and the rest of the Asia-Pacific region; the effects of the COVID-19 pandemic on our operations and the demand and trading patterns for the drybulk market, and the duration of these effects; cyclicalities of the drybulk market, including general drybulk shipping market conditions and trends, including fluctuations in charter hire rates and vessel values; changes in supply and demand in the drybulk shipping industry, including the market for Grindrod Shipping's vessels; changes in the value of Grindrod Shipping's vessels; changes in Grindrod Shipping's business strategy and expected capital spending or operating expenses, including drydocking, surveys, upgrades and insurance costs; competition within the drybulk industry; seasonal fluctuations within the drybulk industry; Grindrod Shipping's ability to employ its vessels in the spot market and its ability to enter into time charters after its current charters expire; general economic conditions and conditions in the oil and coal industries; Grindrod Shipping's ability to satisfy the technical, health, safety and compliance standards of its customers; the failure of counterparties to our contracts to fully perform their obligations with Grindrod Shipping; Grindrod Shipping's ability to execute its growth strategy; international political and economic conditions including additional tariffs imposed by China and the United States; potential disruption of shipping routes due to weather, accidents, political events, natural disasters or other catastrophic events; vessel breakdowns; corruption, piracy, military conflicts, political instability and terrorism in locations where we may operate, including the recent conflicts between Russia and Ukraine and tensions between China and Taiwan; fluctuations in interest rates and foreign exchange rates and the changes in the method pursuant to which the London Interbank Offered Rate and other benchmark rates are determined; changes in the costs associated with owning and operating Grindrod Shipping's vessels; changes in, and Grindrod Shipping's compliance with, governmental, tax, environmental, health and safety regulations including the International Maritime Organization, or IMO 2020, regulations limiting sulfur content in fuels; potential liability from pending or future litigation; Grindrod Shipping's ability to procure or have access to financing, its liquidity and the adequacy of cash flows for its operation; the continued borrowing availability under Grindrod Shipping's debt agreements and compliance with the covenants contained therein; Grindrod Shipping's ability to fund future capital expenditures and investments in the construction, acquisition and refurbishment of its vessels; Grindrod Shipping's dependence on key personnel; Grindrod Shipping's expectations regarding the availability of vessel acquisitions and its ability to buy and sell vessels and to charter-in vessels as planned or at prices we deem satisfactory; adequacy of Grindrod Shipping's insurance coverage; effects of new technological innovation and advances in vessel design; and the other factors set out in "Item 3. Key Information-Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2021 filed with the Securities and Exchange Commission on March 25, 2022. Grindrod Shipping undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events except as required by law.

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By order of the Board

16 February 2023

Sponsor: Grindrod Bank Limited