

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 Second Half <sup>(1)</sup> and Full Year Ended December 31, 2023**

On February 28, 2024, 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 second half and full year 2023 earnings results for the period ended December 31, 2023.

### **Financial Highlights for the Second Half of the Year Ended December 31, 2023**

- Revenues of \$201.2 million
- Gross profit of \$15.9 million
- Loss for the period and attributable to owners of the Company of \$10.9 million, or \$0.56 per ordinary share
- Adjusted net loss of \$9.2 million, or \$0.47 per ordinary share<sup>(2)</sup>
- Adjusted EBITDA of \$24.8 million<sup>(2)</sup>
- Handysize and supramax/ultramax TCE per day of \$10,182 and \$13,849, respectively<sup>(2)</sup>

### **Financial Highlights for the Full Year Ended December 31, 2023**

- Revenues of \$387.1 million
- Gross profit of \$39.4 million
- Loss for the period and attributable to owners of the Company of \$9.6 million, or \$0.49 per ordinary share
- Adjusted net loss of \$7.9 million, or \$0.41 per ordinary share<sup>(2)</sup>
- Adjusted EBITDA of \$64.7 million<sup>(2)</sup>
- Handysize and supramax/ultramax TCE per day of \$10,351 and \$13,908, respectively<sup>(2)</sup>
- Period end cash and cash equivalents of \$55.2 million and restricted cash of \$8.7 million

<sup>(1)</sup> Results are presented on a semi-annual basis due to the Company transitioning from quarterly reporting.

<sup>(2)</sup> Adjusted EBITDA, Adjusted net income/(loss) 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 Second Half of the Year ended December 31, 2023**

- On July 11, 2023, we exercised the option to extend the firm charter-in period of the 2016-built supramax bulk carrier *IVS Windsor* for 12 months.
- On July 13, 2023, we announced an EGM to be held on August 10, 2023 to propose a capital reduction which would result in a total cash distribution to shareholders up to a maximum of \$45.0 million.
- On July 17, 2023, we exercised the option to extend the firm charter-in period of the 2014-built supramax bulk carrier *IVS Naruo* for 12 months.
- On July 18, 2023, we entered into a contract to purchase the 2024-built handysize bulk carrier newbuilding for a price of \$33.8 million (before costs) from Good Viscount (MI) Ltd (a wholly owned subsidiary of our parent company Taylor Maritime Investments Limited (“TMI”). The acquisition, which is at an agreed price consistent with two independent broker valuations obtained in connection with the transaction, was unanimously approved by the disinterested members of the Board.

- On July 24, 2023, we entered into a contract to purchase the 2011-built handysize bulk carrier, *Steady Sarah*, for a price of \$15.0 million (before costs) from Billy (MI) Ltd (a wholly owned subsidiary of our parent company TMI). The acquisition, which is at an agreed price consistent with three independent broker valuations obtained in connection with the transaction, was unanimously approved by the disinterested members of the Board. We took delivery of the handysize bulk carrier on July 28, 2023.
- On August 4, 2023, we delivered the 2011-built handysize bulk carrier, *IVS Orchard*, to her new owners.
- On August 10, 2023, a special resolution was passed at an EGM for a capital reduction which would result in a total cash distribution up to a maximum of \$45.0 million. The Company does not intend to declare any further dividends for 2023 in light of the cash distribution.
- On August 24, 2023, we entered into an en-bloc deal to sell the 2015-built ultramax bulk carrier, *IVS Bosch Hoek* and the 2016-built ultramax bulk carrier, *IVS Hayakita*, for \$46.5 million (before costs). *IVS Hayakita* is a chartered-in vessel with a purchase option which we exercised on May 25, 2023. The vessels were delivered to the new owners on September 19 and September 25, 2023, respectively and approximately \$10.0 million debt was repaid on the Company's \$114.1 million senior secured credit facility.
- On September 1, 2023, we exercised our option to extend the firm charter-in period of the 2020-built supramax bulk carrier, *IVS Pebble Beach* for 12 months at a pre-agreed fixed rate, starting from October 22, 2023.
- On September 14, 2023, we entered into a contract to sell the 2013-built handysize bulk carrier, *IVS Merlion*, for \$11.6 million (before costs) with delivery to her new owners on November 29, 2023. This vessel is unencumbered.
- On September 25, 2023, we entered into two sale and purchase agreements to acquire the entire issued share capital of Tamar Ship Management Limited and Taylor Maritime Management Limited for a total consideration of approximately \$11.8 million (before costs). The closing was subject to closing conditions.
- On September 27, 2023, we entered into a contract to sell the 2013-built handysize bulk carrier, *IVS Raffles*, for \$11.6 million (before costs) with delivery to her new owners on November 16, 2023. This vessel is unencumbered.
- On September 29, 2023, we announced that the fully paid-up share capital would be reduced by \$32.4 million and the Company would distribute cash in two tranches; the first distribution of \$1.01598 per ordinary share, which was paid on October 26, 2023, and the second distribution of \$0.63193 per ordinary share, paid on December 11, 2023, to all shareholders of record as of October 20, 2023.
- On October 3, 2023, we announced that the completion conditions included in the two sale and purchase agreements for the acquisition of the entire issued share capital of Tamar Ship Management Limited and Taylor Maritime Management Limited had been met. The acquisition became legally effective on October 3, 2023.
- On November 7, 2023, we exercised our option to extend the firm charter-in period of the 2020-built supramax bulk carrier, *IVS Atsugi* for 12 months at a pre-agreed fixed rate, starting from approximately December 30, 2023.
- On November 13, 2023, we exercised the purchase option on the 2014-built supramax bulk carrier *IVS Naruo* for approximately \$12.0 million with delivery expected to take place on or before June 30, 2024. We can provide no assurances that the delivery will take place by that time or at all.
- On November 16, 2023, we delivered the 2013-built handysize bulk carrier, *IVS Raffles*, to her new owners.
- On November 29, 2023, we delivered the 2013-built handysize bulk carrier, *IVS Merlion*, to her new owners.
- On December 7, 2023, we announced the resignation of Mr. Charles Goodson Maltby as a non-executive director of the Company with effect from December 31, 2023 and the formation of a new Safety and Technical Committee.
- On December 11, 2023, we completed the second tranche of the share capital reduction with a distribution of \$0.63193 per ordinary share to all shareholders on record as of October 20, 2023.
- On December 11, 2023, we entered into agreements to charter-in two ultramax drybulk vessels. The vessels are expected to be delivered in Q1 2024 and Q2 2024 and will be chartered-in for a minimum of one year.
- On December 22, 2023, we extended the firm charter-in period of the 2014-built supramax bulk carrier *IVS Crimson Creek* for approximately 12 to 15 months.

## Recent Developments

- On January 17, 2024, we entered into a contract to sell the 2007-built handysize bulk carrier, *IVS Kingbird*, for \$10.4 million (before costs), effectively a 1.1% premium to carrying value with delivery to her new owners on February 1, 2024. This vessel is unencumbered.
- On February 6, 2024, we took delivery of the *HB Imabari*, a handysize bulk carrier built in Japan. We finalized and drew down \$20.2 million in financing with IYO Bank in conjunction with the delivery.
- On February 23, 2024, we entered into a contract to sell the 2012-built handysize bulk carrier, *IVS Ibis*, for \$11.7 million (before costs) with delivery to her new owners planned on or about March 21, 2024. We can provide no assurances that the delivery will take place by that time or at all.
- As of February 22, 2024, we have contracted the following TCE per day for the first quarter of 2024<sup>(1)</sup>:
  - Handysize: approximately 1,274 operating days<sup>(2)</sup> at an average TCE per day of approximately \$11,875
  - Supramax/ultramax: approximately 1,004 operating days<sup>(2)</sup> at an average TCE per day of approximately \$14,795

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

## CEO Commentary

Edward Buttery, the Chief Executive Officer, commented:

“Following TMI’s acquisition in December 2022, the priority for 2023 was deleveraging to strengthen the balance sheet while maintaining an attractive fleet of modern, efficient geared bulk carriers. I am pleased with the progress the Company made despite challenging market conditions. We reduced our interest-bearing debt by \$56.9 million during 2023, reducing yearly interest payments by \$1.9 million. During this time, we have also been improving cost efficiencies across the fleet, the benefits of which should be evident by the end of this year. There remains plenty to do in 2024 and I think we are well positioned to achieve our goals against a backdrop of a more favourable market outlook. We’re encouraged by the recent positive market momentum.”

## 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 six month periods ended December 31, 2023 and 2022 and twelve months ended December 31, 2023 and 2022.

<b>(In thousands of U.S. dollars, except per share data)</b>	<b>Six months ended December 31,</b>		<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>(Loss) profit for the period</b>	\$ (10,869)	\$ 17,572	\$ (9,622)	\$ 103,367
Adjusted for:				
Impairment (reversal of impairment) loss recognized on ships	2,000	2,366	2,000	(1,707)
Impairment loss recognized on right-of-use assets	-	985	-	985
Reversal of impairment loss recognized on asset under construction	(310)	-	(310)	-
<b>Headline (loss) earnings</b>	<b>(9,179)</b>	<b>20,923</b>	<b>(7,932)</b>	<b>102,645</b>
Weighted average number of shares on which the profit per share and headline earnings per share has been calculated	19,575,317	19,078,551	19,524,087	18,949,972
Basic (loss) profit per share	\$ (0.56)	\$ 0.92	\$ (0.49)	\$ 5.45
Basic headline (loss) earnings per share	\$ (0.47)	\$ 1.10	\$ (0.41)	\$ 5.42

### Short-form announcement

The full announcement includes the contents of the Report on Form 6-K as filed with the SEC on February 28, 2024, being the unaudited interim condensed consolidated financial statements and related notes of Grindrod Shipping Holdings Ltd. for the six months ended December 31, 2023.

This short-form announcement is the responsibility of the directors of 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 29, 2024 and is available for viewing on the Company's website ([www.grinshipping.com](http://www.grinshipping.com)) and at <https://senspdf.jse.co.za/documents/2024/jse/isse/GSHE/GRINFY2023.pdf>.

The full announcement is available for inspection at the offices of the Company (1 Temasek Avenue, #10-02 Millenia Tower, Singapore 039192) 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 29, 2024.

### 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 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; 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, 2022 filed with the Securities and Exchange Commission on March 23, 2023. 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

29 February 2024

Sponsor: Grindrod Bank Limited