

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 year ended December 31, 2021 and Interim Dividend**

Grindrod Shipping Holdings Ltd. (NASDAQ: GRIN) (JSE: GSH) (“Grindrod Shipping” or “Company” or “it” or “we” or “Group”), a global provider of maritime transportation services predominantly in the drybulk sector, announced its unaudited earnings results for the three months and year ended December 31, 2021.

The Group completed the plan to discontinue the tanker business during December 2021 and has presented the tanker business as a discontinued operation. The Group is now focused on the drybulk business which is presented as the continuing operations. Prior period figures have been reclassified for the presentation of the tanker business as a discontinued operation.

### **Financial Highlights for the Three Months Ended December 31, 2021**

#### **Continuing operations:**

- Revenues of \$142.5 million
- Gross profit of \$66.7 million
- Profit for the period of \$52.9 million
- Profit for the period attributable to owners of the Company of \$52.9 million or \$2.79 per ordinary share
- Adjusted net income of \$54.6 million, or \$2.88 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA for the period of \$73.2 million<sup>(1)</sup>
- Repurchased a combined total of 700,491 ordinary shares in the open market on NASDAQ and the JSE at an average price of \$14.58 per share
- Handysize and supramax/ultramax TCE per day of \$28,842 and \$30,089, respectively<sup>(1)</sup>

### **Financial Highlights for the Year Ended December 31, 2021**

#### **Continuing operations:**

- Revenues of \$455.8 million
- Gross profit of \$176.9 million
- Profit for the year of \$132.6 million
- Profit for the year attributable to owners of the Company of \$122.1 million or \$6.38 per ordinary share

- Adjusted net income of \$122.4 million, or \$6.39 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA for the year of \$206.9 million<sup>(1)</sup>
- Repurchased a combined total of 825,163 ordinary shares in the open market on NASDAQ and the JSE at an average price of \$14.39 per share.
- Handysize and supramax/ultramax TCE per day of \$21,336 and \$23,608, respectively<sup>(1)</sup>
- Year end cash and cash equivalents of \$104.2 million and restricted cash of \$9.5 million

<sup>(1)</sup> 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 Highlights for the Three Months Ended December 31, 2021**

- The Company exercised its option to extend the firm charter-in period of the 2014-built supramax bulk carrier *IVS Naruo* for 12 months at \$13,000/day, starting from approximately January 21, 2022

### **Recent Developments**

- On February 16, 2022, the Company’s Board of Directors declared an interim quarterly cash dividend of \$0.72 per ordinary share, payable on or about March 22, 2022, to all shareholders of record as of March 11, 2022 (the “Record Date”). As of February 16, 2022, there were 18,484,861 common shares of the Company outstanding (excluding treasury shares). Together with the \$10.2 million of shares repurchased during the quarter, which is equivalent to a further \$0.55 per ordinary share, the Company will return capital equivalent to a total of \$1.27 per ordinary share to shareholders.

In view of the Record Date of March 11, 2022, shareholders may not reposition shares between the JSE and the U.S. Register during the period from March 9, 2022, at 9.00 a.m. (South African time) until March 14, 2022 at 9.00 a.m. (South African time).

- As of February 14, 2022, we have contracted the following TCE per day for the first quarter of 2022 <sup>(1)</sup>:
  - Handysize: approximately 1,103 operating days<sup>(2)</sup> at an average TCE per day of approximately \$21,911
  - Supramax/ultramax: approximately 1,474 operating days<sup>(2)</sup> at an average TCE per day of approximately \$24,374

<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

Martyn Wade, the Chief Executive Officer of Grindrod Shipping, commented:

“2021 was a transformational year for Grindrod Shipping as we enjoyed record financial results during both the fourth quarter and the full year overall, while concurrently concluding several important strategic initiatives. For the fourth quarter of 2021, we achieved \$73.2 million of Adjusted EBITDA and \$54.6 million of Adjusted net income, or \$2.88 per ordinary share, from continuing operations and \$206.9 million of Adjusted EBITDA and \$122.4 million of Adjusted Net Income, or \$6.39 per ordinary share, for the full year. We completed the acquisition of the remaining shares in our IVS Bulk JV, divested nearly all of our product tankers which allowed us to focus and further expand our dry bulk operations, transitioned to quarterly reporting, increased our float and share liquidity in the United States market following the secondary offering of ordinary shares by one of our shareholders, materially strengthened our balance sheet, and initiated a flexible capital return policy during the third quarter rewarding our shareholders.

In this context, we declared a cash dividend of \$0.72 per ordinary share for the fourth quarter and returned the equivalent of a further \$0.55 per ordinary share of capital to shareholders through share repurchases during the period. The Board elected to maintain the same dividend per share as the third quarter despite materially higher share repurchases during the quarter due to the continued extraordinary strength in our financial results and our strong balance sheet. For the full year 2021, we have declared cash dividends totalling \$1.44 per ordinary share and repurchased a total of \$11.9 million in shares at levels highly accretive to our financial metrics per share.

Looking ahead, the outlook for the dry bulk sector appears positive. Healthy demand for minor bulk commodities coupled with the smallest newbuilding orderbook in decades and continued supply chain disruptions has translated into a tight supply/demand balance and strong freight rates. The stricter environmental regulations that come into effect in 2023, together with continued uncertainty regarding alternative fuels and propulsion systems and limited shipyard capacity, are expected to minimize the ordering of new ships and fleet growth in the near term. In this environment, Grindrod Shipping is strategically positioned to benefit not only from the strong sector fundamentals but also from the efficiency and competitiveness of our modern, Japanese built eco fleet.”

## Headline earnings (loss) and Headline earnings (loss) per share

The Johannesburg Stock Exchange, or JSE, requires that we calculate and publicly disclose Headline earnings (loss) per share and diluted Headline earnings (loss) per share. Headline earnings (loss) per share is calculated using net income which has been determined based on IFRS. Accordingly, this may differ to the Headline earnings (loss) 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 (loss) for the period represents profit (loss) 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 (loss) 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 Profit (loss) for the period attributable to owners of the Company to Headline earnings (loss) for the three months ended December 31, 2021 and 2020 and the year ended December 31, 2021 and 2020.

<b>(In thousands of U.S. dollars, other than per share data)</b>	<b>Three months ended December 31,</b>		<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020 (Reclassified*)</b>	<b>2021</b>	<b>2020 (Reclassified*)</b>
<b>Profit (loss) for the period attributable to owners of the Company</b>	\$ 52,800	\$ (14,020)	\$ 118,925	\$ (38,795)
Adjusted for:				
- (Reversal of) impairment loss recognized on ships	-	6,555	(3,557)	16,282
- Impairment loss recognized on goodwill and intangibles	-	-	965	-
- Reversal of impairment loss recognized on right-of-use assets	-	-	(1,046)	-
- Impairment loss recognized on net disposal group	-	-	2,551	576
- Impairment loss recognized on office equipment, furniture and fittings and motor vehicles	1	138	1	138
- Loss on disposal of business	-	-	26	-
<b>Headline earnings (loss)</b>	<b>52,801</b>	<b>(7,327)</b>	<b>117,865</b>	<b>(21,799)</b>
Weighted average number of shares on which profit (loss) per share has been calculated	18,956,127	19,006,858	19,150,787	18,966,414
Effect of dilutive potential ordinary shares	861,834	-	861,834	-
Weighted average number of ordinary shares for the purpose of calculating diluted profit (loss) per share	<u>19,817,961</u>	<u>19,006,858</u>	<u>20,012,621</u>	<u>18,966,414</u>
Basic profit (loss) per share	\$ 2.79	\$ (0.74)	\$ 6.21	\$ (2.05)
Diluted profit (loss) per share	\$ 2.66	\$ (0.74)	\$ 5.94	\$ (2.05)
Basic headline earnings (loss) per share	\$ 2.79	\$ (0.39)	\$ 6.15	\$ (1.15)
Diluted headline earnings (loss) per share	\$ 2.66	\$ (0.39)	\$ 5.89	\$ (1.15)

\* The financial information has been reclassified to disclose the discontinued tanker business completed in December 2021. The Group is now focused on the drybulk business which is presented as the continuing operations.

**Interim Dividend - The relevant dates for the payment of dividend number 2 are as follows:**

Declaration date on NASDAQ	Wednesday, 16 February 2022
Declaration and Finalisation date announcement on SENS before 09:00	Thursday, 17 February 2022
Last day to trade cum-dividend (JSE)	Tuesday, 8 March 2022
Last day to trade cum-dividend (NASDAQ)	Wednesday, 9 March 2022
Shares commence trading ex-dividend (JSE)	Wednesday, 9 March 2022
Shares commence trading ex-dividend (NASDAQ)	Thursday, 10 March 2022
Record date (JSE and NASDAQ)	Friday, 11 March 2022
Payment date (JSE and NASDAQ)	Tuesday, 22 March 2022

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, 9 March 2022 and Friday, 11 March 2022, 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\$0.72 per ordinary shares will be converted to Rands using the USD/Rand spot rate from Nedbank Limited, as determined on close of business on Wednesday, 16 February 2022, of 15.0250. This will equate to a gross dividend of ZAR 10.8180 per share.
- Grindrod Shipping Holdings Ltd. tax reference number: 201731497H.
- The issued ordinary share capital of Grindrod Shipping Holdings Ltd. is 19,310,024 ordinary shares and the Company has 825,163 treasury shares as at 16 February 2022.
- 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 ZAR 8.6544 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 U.S. Securities Exchange Commission on 16 February 2022, being the earnings results of Grindrod Shipping Holdings Ltd. for the three months and year ended December 31, 2021.

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 17 February 2022 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/2022/jse/isse/GSHE/GRIN4Q2021.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 from 17 February 2022.

### **Conference Call details**

Tomorrow, Thursday, February 17, 2022, at 8:00 a.m. Eastern Time/ 3:00 p.m. South African Time/ 9:00 p.m. Singapore Time, the Company's management will host a conference call and webcast to discuss the earnings results.

Conference Call details: Participants should dial into the call 10 minutes before the scheduled time using the following numbers: +1 877 553 9962 (US Toll Free Dial In), +0808 238 0669 (UK Toll Free Dial In), +65 3158 5482 (Singapore Dial In), or +27 10 5003039 (South Africa Dial In), +44 (0) 2071 928592 (International Standard Dial In). Please quote "Grindrod" to the operator.

### **Slides and Audio Webcast / Slides Presentation details**

There will be a live, and then archived webcast of the conference call and accompanying slides, accessible through the Grindrod Shipping website [www.grinshipping.com](http://www.grinshipping.com) (click on Notices & Events). The slide presentation of the fourth quarter and full year 2021 financial results will be accessible in PDF format 10 minutes prior to the conference call and webcast. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

### **About Grindrod Shipping**

Grindrod Shipping owns and operates a diversified fleet of owned, long-term and short-term chartered-in drybulk vessels predominantly in the handysize and supramax/ultramax segments. The drybulk business, which operates under the brand "Island View Shipping" ("IVS") includes a Fleet of 31 vessels consisting of 15 handysize drybulk carriers and 16 supramax/ultramax drybulk carriers. The Company also owns one medium range tanker on bareboat charter. The Company is based in Singapore, with offices in London, Durban, Tokyo and Rotterdam. Grindrod Shipping is listed on NASDAQ under the ticker "GRIN" and on the JSE under the ticker "GSH".

### **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; 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; Grindrod Shipping's ability to operate as an independent entity; 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, 2020 filed with the Securities and Exchange Commission on March 31, 2021. 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

17 February 2022

Sponsor: Grindrod Bank Limited