

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 ended March 31, 2022 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 ended March 31, 2022 and that the directors of the Company have resolved to declare a gross cash dividend from profits in respect of the 1<sup>st</sup> Quarter Financial Year 2022 ended 31 March 2022 in the amount of US\$0.47 per ordinary share to shareholders reflected in the Company’s register on the record date, being Friday, 10 June 2022.

### **Financial Highlights for the Three Months Ended March 31, 2022**

#### **Continuing Operations:**

- Revenues of \$110.3 million
- Gross profit of \$40.7 million
- Profit for the period and attributable to owners of the Company of \$29.0 million or \$1.55 per ordinary share
- Adjusted net income of \$29.8 million, or \$1.60 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA for the period of \$50.2 million<sup>(1)</sup>
- Handysize and supramax/ultramax TCE per day of \$22,201 and \$24,385, respectively<sup>(1)</sup>
- Period end cash and bank balances of \$106.5 million and restricted cash of \$6.6 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.*

#### **Recent Developments**

- On April 14, 2022 we entered into a contract to sell the 2016-built medium range product tanker, *Matuku* for \$30.0 million (before costs). In anticipation of the sale, we have exercised the purchase option for *Matuku* under her existing finance arrangement at a cost of \$25.4 million following the expiration of the current bareboat charter under which the vessel operated. Delivery of the vessel to us is expected on or about May 30, 2022 before onward delivery to her new owners planned on or about June 1, 2022.

- On May 10, 2022, we exercised the purchase option on the chartered-in 2015-built supramax bulk carrier, *IVS Pinehurst*, for an amount of \$18.0 million with delivery planned on or about June 18, 2022. The vessel will remain chartered-in at her original contract rate until delivery to us.
- On May 10, 2022, we agreed to extend the long-term charter on the 2014-built supramax bulk carrier, *IVS Crimson Creek*, for a period of 11 to 13 months at a charter-in rate of \$26,276 per day commencing May 1, 2022.
- On May 24, 2022, the Company's Board of Directors declared an interim quarterly cash dividend of \$0.47 per ordinary share, payable on or about June 20, 2022, to all shareholders of record as of June 10, 2022 (the "Record Date"). As of May 24, 2022, there were 18,958,025 common shares of the Company outstanding (excluding treasury shares).

In view of the Record Date of June 10, 2022, shareholders may not reposition shares between the JSE and the U.S. Register during the period from June 8, 2022, at 9.00 a.m. (South African time) until June 10, 2022 at 9.00 a.m. (South African time).

- As of May 19, 2022, we have contracted the following TCE per day for the second quarter of 2022 <sup>(1)</sup>:
  - Handysize: approximately 1,310 operating days<sup>(2)</sup> at an average TCE per day of approximately \$26,875
  - Supramax/ultramax: approximately 1,568 operating days<sup>(2)</sup> at an average TCE per day of approximately \$29,498

<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

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

"After a transformational year in 2021 for Grindrod Shipping in which we enjoyed record financial results for the full year overall, the Company has enjoyed a historically strong start to 2022. For the first quarter of 2022, we achieved \$50.2 million of Adjusted EBITDA and \$29.8 million of Adjusted net income, or \$1.60 per ordinary share from continuing operations. The quarter was the strongest first quarter for charter rates for our ship types in over a decade and lays a solid foundation for the rest of the year. Continuing with our flexible capital return policy rewarding our shareholders, we have declared a cash dividend of \$0.47 per ordinary share with respect to the first quarter.

Despite the uncertainty in the global economy created by the Russian/Ukraine conflict, COVID lockdowns in China and the disruptions to traditional trade routes, the outlook for the dry bulk sector appears to remain positive. Healthy demand for minor bulk commodities and continued cargo spillover from tight container shipping markets, coupled with the smallest newbuilding orderbook in decades and congestion continue to lead to a tight supply/demand balance and strong freight rates. Against this backdrop, we were pleased to once again demonstrate the benefits of the Grindrod Shipping business model through the acquisition of the chartered-in *IVS Pinehurst* through exercising a highly advantageous purchase option on the vessel.

Finally, I would like to thank our recently retired Chief Executive Officer, Martyn Wade, for his 14 years of service to the Company and 12 years of working together. Martyn left Grindrod Shipping in a strong financial position and well placed to benefit from the current dry cargo market. We wish him all the best and appreciate his contribution to our current success.”

### Headline earnings (loss) and Headline earnings (loss) 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 Headline earnings to Profit for the period attributable to owners of the Company for the three months ended March 31, 2022 and 2021.

(In thousands of U.S. dollars, other than per share data)	Three months ended March 31,	
	2022	2021
<b>Profit for the period attributable to owners of the Company</b>	\$ 29,031	\$ 2,358
Adjusted for:		
- Impairment loss recognized on net disposal group	-	(38)
<b>Headline earnings</b>	<u>29,031</u>	<u>2,320</u>
Weighted average number of shares on which profit per share and headline earnings per share has been calculated	18,679,384	19,107,913
Effect of dilutive potential ordinary shares	<u>388,004</u>	<u>347,168</u>
Weighted average number of ordinary shares for the purpose of calculating diluted profit per share and diluted headline earnings per share	<u>19,067,388</u>	<u>19,455,081</u>
Basic profit per share	\$ 1.55	\$ 0.12
Diluted profit per share	\$ 1.52	\$ 0.12
Basic headline earnings per share	\$ 1.55	\$ 0.12
Diluted headline earnings per share	\$ 1.52	\$ 0.12

### Interim Dividend - The relevant dates for the payment of dividend number 3 are as follows:

Declaration date on NASDAQ	Tuesday, 24 May 2022
Declaration and Finalisation date announcement on SENS before 09:00	Wednesday, 25 May 2022
Last day to trade cum-dividend (JSE)	Tuesday, 7 June 2022
Last day to trade cum-dividend (NASDAQ)	Wednesday, 8 June 2022
Shares commence trading ex-dividend (JSE)	Wednesday, 8 June 2022
Shares commence trading ex-dividend (NASDAQ)	Thursday, 9 June 2022
Record date (JSE and NASDAQ)	Friday, 10 June 2022
Payment date (JSE and NASDAQ)	Monday, 20 June 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, 8 June 2022 and Friday, 10 June 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\$0.47 per ordinary shares will be converted to Rands using the USD/Rand spot rate from Nedbank Limited, as determined on close of business on Tuesday, 24 May 2022, of 15.7575. This will equate to a gross dividend of ZAR 7.40603 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 351,999 treasury shares as at 24 May 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 5.92482 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 24 May 2022, being the earnings results of Grindrod Shipping Holdings Ltd. for the three months ended March 31, 2022.

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 25 May 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/GRIN1Q2022.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 24 May 2022.

### **Conference Call details**

Conference call to be held on Wednesday, May 25, 2022, at 8:00 a.m. Eastern Time/ 2:00 p.m. South African Time/ 8:00 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 1<sup>st</sup> quarter 2022 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; cyclicity 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; 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

25 May 2022

Sponsor: Grindrod Bank Limited