

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 Interim Financial Results for the Second Quarter & First Half of the Year ending 31 December 2022 and Interim Dividend**

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, announced its earnings results for the three months and the six months ended June 30, 2022 and filed them under a Report on Form 6-K (the “Report on Form 6-K”) with the United States Securities and Exchange Commission (“SEC”). In addition, the directors of the Company have resolved to declare a gross cash dividend from profits in respect of the Second Quarter Financial Year 2022 ended 30 June 2022 in the amount of US\$0.84 per ordinary share to shareholders reflected in the Company’s register on the record date, being Friday, 9 September 2022.

#### **Financial Highlights for the Three Months Ended June 30, 2022**

- Revenues of \$161.6 million
- Gross profit of \$64.6 million
- Profit for the period and attributable to owners of the Company of \$56.8 million, or \$2.99 per ordinary share
- Adjusted net income of \$53.3 million, or \$2.81 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA for the period of \$73.9 million<sup>(1)</sup>
- Handysize and supramax/ultramax TCE per day of \$27,479 and \$31,021, respectively<sup>(1)</sup>

#### **Financial Highlights for the Six Months Ended June 30, 2022**

- Revenues of \$271.9 million
- Gross profit of \$105.3 million
- Profit for the period and attributable to owners of the Company of \$85.8 million, or \$4.56 per ordinary share
- Adjusted net income of \$83.1 million, or \$4.42 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA of \$124.1 million<sup>(1)</sup>
- Handysize and supramax/ultramax TCE per day of \$24,990 and \$27,604, respectively<sup>(1)</sup>
- Period end cash and cash equivalents of \$160.0 million and restricted cash of \$9.7 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 June 30, 2022**

- On June 1, 2022, we sold the 2016-built medium range product tanker, *Matuku* for a gross price of \$30.0 million.
- 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 to us on July 25, 2022. The vessel remained chartered-in at her original contract rate until delivered to us.
- On May 12, 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.

### **Recent Developments**

- On August 17, 2022, the Company’s Board of Directors declared an interim quarterly cash dividend of \$0.84 per ordinary share, payable on or about September 19, 2022, to all shareholders of record as of September 9, 2022 (the “Record Date”). As of August 17, 2022, there were 18,996,493 common shares of the Company outstanding (excluding treasury shares).

In view of the Record Date of September 9, 2022, shareholders may not reposition shares between the JSE and the U.S. Register during the period from September 7, 2022, at 9.00 a.m. (South African time) until September 12, 2022 at 9.00 a.m. (South African time).

- As of August 10, 2022, we have contracted the following TCE per day for the third quarter of 2022<sup>(1)</sup>:
  - Handysize: approximately 1,020 operating days<sup>(2)</sup> at an average TCE per day of approximately \$25,127
  - Supramax/ultramax: approximately 1,524 operating days<sup>(2)</sup> at an average TCE per day of approximately \$26,766

*<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:

“Grindrod Shipping reported another record quarterly performance with a strong second quarter of 2022 reflecting the resilient markets in our handysize and supramax/ultramax drybulk carrier segments. For the second quarter of 2022, we achieved \$73.9 million of Adjusted EBITDA and \$53.3 million of Adjusted net income, or \$2.81 per ordinary share from continuing operations. These robust results have allowed us to announce our highest quarterly dividend to date of \$0.84 per ordinary share, continuing our flexible capital return policy of rewarding our shareholders with material dividends in times of market strength. Since our first dividend with respect to the third quarter of 2021, we have declared a combined total dividend of \$2.75 per ordinary share over the last four quarters.

The dry bulk market remained healthy in the second quarter 2022, despite the ongoing Russian-Ukraine conflict and disruptions in traditional trade routes. The smaller segments in which we operate are still earning a premium over the larger vessels due to their versatility, benefiting from a broader base of cargoes and continued spillover from the container trade. The supply picture remains at very healthy levels with continued minimal ordering of new vessels due to concerns over environmental regulations and higher newbuilding prices. As we head into the second half of the year, more macroeconomic concerns have emerged as the global economy grapples with elevated inflation levels and rising interest rates. Thus far the impact on the dry cargo market has been minimal, though we remain prudent in our approach to risk management given the potential uncertainty.”

## **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 Profit for the period attributable to owners of the Company to Headline earnings for the three month periods ended June 30, 2022 and 2021 and six months ended June 30, 2022 and 2021.

(In thousands of U.S. dollars, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<b>Profit for the period attributable to owners of the Company</b>	\$ 56,764	\$ 19,771	\$ 85,795	\$ 22,129
Adjusted for:				
Reversal of impairment loss recognized on ships	(4,073)	(3,557)	(4,073)	(3,557)
Reversal of impairment loss recognized on right-of-use assets	-	(1,046)	-	(1,046)
Impairment loss recognized on goodwill and intangibles	-	965	-	965
Impairment loss on net disposal group	-	2,589	-	2,551
Loss on disposals of business	-	25	-	25
<b>Headline earnings</b>	<b>52,691</b>	<b>18,747</b>	<b>81,722</b>	<b>21,067</b>
Weighted average number of shares on which the profit per share and headline earnings per share has been calculated	18,958,025	19,297,655	18,819,474	19,203,308
Effect of dilutive potential ordinary shares	460,637	347,168	460,637	347,168
Weighted average number of ordinary shares for the purpose of calculating diluted profit per share and diluted headline earnings per share	19,418,662	19,644,823	19,280,111	19,550,476
Basic profit per share	\$ 2.99	\$ 1.02	\$ 4.56	\$ 1.15
Diluted profit per share	2.92	1.01	4.45	1.13
Basic headline earnings per share	\$ 2.78	\$ 0.97	\$ 4.34	\$ 1.10
Diluted headline earnings per share	2.71	0.95	4.24	1.08

**Interim Dividend - The relevant dates for the payment of dividend number 4 are as follows:**

Declaration date on NASDAQ	Wednesday, 17 August 2022
Declaration and Finalisation date announcement on SENS before 09:00	Thursday, 18 August 2022
Last day to trade cum-dividend (JSE)	Tuesday, 6 September 2022
Last day to trade cum-dividend (NASDAQ)	Wednesday, 7 September 2022
Shares commence trading ex-dividend (JSE)	Wednesday, 7 September 2022
Shares commence trading ex-dividend (NASDAQ)	Thursday, 8 September 2022
Record date (JSE and NASDAQ)	Friday, 9 September 2022
Payment date (JSE and NASDAQ)	Monday, 19 September 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, 7 September 2022 and Friday, 9 September 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\$0.84 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, 17 August 2022, of 16.39000. This will equate to a gross dividend of ZAR 13.76760 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 313,531 treasury shares as at 17 August 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 11.01408 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 17 August 2022, being (1) Management’s Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2022 and 2021; and (2) the unaudited interim condensed consolidated financial statements and related notes of Grindrod Shipping Holdings Ltd. for the six months ended June 30, 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 18 August 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/GRINHY2022.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 August 18, 2022.

### **Conference Call details**

On Thursday, August 18, 2022, at 8:00 a.m. Eastern Daylight Time/ 2:00 p.m. South African Standard 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: +1 877 405 1226 (USA Toll Free Dial In) or +1 201 689 7823 (USA and Standard International Dial In), +0 800 756 3429 (UK Toll Free Dial In), +800 101 3046 (Singapore Toll Free Dial In), or +0 800 983 831 (South Africa Toll Free Dial In). Please quote "Grindrod" to the operator and/or conference ID 1 373 2108. For international toll-free access numbers, please refer to <https://www.incommconferencing.com/international-dial-in>.

### **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 Second 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.

### **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 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

18 August 2022

Sponsor Grindrod Bank Limited