

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 nine months ended September 30, 2022

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 nine months ended September 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”).

Financial Highlights for the Three Months Ended September 30, 2022

- Revenues of \$107.2 million
- Gross profit of \$38.5 million
- Profit for the period and attributable to owners of the Company of \$22.2 million, or \$1.17 per ordinary share
- Adjusted net income of \$27.3 million, or \$1.44 per ordinary share⁽¹⁾
- Adjusted EBITDA for the period of \$47.8 million⁽¹⁾
- Handysize and supramax/ultramax TCE per day of \$23,257 and \$25,645, respectively⁽¹⁾

Financial Highlights for the Nine Months Ended September 30, 2022

- Revenues of \$379.1 million
- Gross profit of \$143.8 million
- Profit for the period and attributable to owners of the Company of \$107.9 million, or \$5.72 per ordinary share
- Adjusted net income of \$110.4 million, or \$5.85 per ordinary share⁽¹⁾
- Adjusted EBITDA of \$171.9 million⁽¹⁾
- Handysize and supramax/ultramax TCE per day of \$24,396 and \$27,015, respectively⁽¹⁾
- Period end cash and cash equivalents of \$140.8 million and restricted cash of \$9.8 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 Highlights for the Three Months Ended September 30, 2022

- On July 25, 2022, we purchased the 2015-built supramax bulk carrier, *IVS Pinehurst* for an amount of \$18.0 million.
- On September 14, 2022, we exercised the option to extend the firm charter-in period of the 2020-built supramax bulk carrier *IVS Pebble Beach* for 12 months at \$12,950/day, starting from approximately October 15, 2022.
- On September 21, 2022, we exercised the 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, 2023.

Recent Developments

- 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 approximately December 23, 2022.
- On October 12, 2022, the Company announced that we have entered into a transaction implementation agreement among 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 (the “Shares”) in the capital of the Company (other than Shares held by the Offeror and Shares held in treasury) (the “Offer Shares”).
- The Company does not intend to declare any further dividends for 2022 prior to the consummation of the Offer after the initial offer period. In connection with the consummation of the Offer following the initial offer period, the Company’s Board of Directors may be reconstituted such that all of the directors (other than two current independent directors of the Company) will be persons designated by TMI. After the consummation of the Offer and immediately following the initial offer period, all decisions with respect to whether to declare and pay any future dividends (and, if so, the amount of any such dividend) will be made by the reconstituted Company Board as it may determine in its sole discretion. There is no guarantee that the Company Board will declare or pay any dividends after the consummation of the Offer and immediately following the initial offer period and, if it determines to do so, the amount or timing of any such dividends.
- As of November 10, 2022, we have contracted the following TCE per day for the fourth quarter of 2022⁽¹⁾:
 - Handysize: approximately 959 operating days⁽²⁾ at an average TCE per day of approximately \$15,688
 - Supramax/ultramax: approximately 1,455 operating days⁽²⁾ at an average TCE per day of approximately \$22,850

⁽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.

CEO Commentary

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

“Our results for the third quarter of 2022 were quite strong overall, though lower sequentially relative to the second quarter of 2022 as charter rates persistently declined over the course of the quarter. For the third quarter of 2022, we achieved \$47.8 million of Adjusted EBITDA and \$27.3 million of Adjusted net income, or \$1.44 per ordinary share from continuing operations. Handysize and supramax/ultramax TCE per day were \$23,257 and \$25,645, respectively, for the third quarter of 2022. While supply fundamentals have remained intact with a low orderbook persisting due to uncertainty surrounding new engine technology and emissions controls, trade demand appears to have softened so far this year. In the first half of the year, minor bulks were the only major category of drybulk cargoes to remain positive from a cargo growth perspective, but they too contracted in the third quarter. Our vessels continued to outperform the larger drybulk vessel classes during the quarter and year to date periods and have delivered robust free cash flows for the Company, further strengthening our balance sheet.”

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 months ended September 30, 2022 and 2021 and nine months ended September 30, 2022 and 2021.

(In thousands of U.S. dollars, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Profit for the period attributable to owners of the Company	\$ 22,154	\$ 43,996	\$ 107,949	\$ 66,125
Adjusted for:				
Reversal of impairment loss recognized on ships	-	-	(4,073)	(3,557)
Reversal of impairment loss recognized on right-of-use assets	-	-	-	(1,046)
Impairment loss recognized on goodwill and intangibles	-	-	-	965
Impairment loss on net disposal group	-	-	-	2,551
Loss on disposals of business	-	-	-	25
Headline earnings	22,154	43,996	103,876	65,063
Weighted average number of shares on which the profit per share and headline earnings per share has been calculated	18,996,493	19,242,116	18,878,988	19,216,386
Effect of dilutive potential ordinary shares	460,637	863,168	460,637	863,168
Weighted average number of ordinary shares for the purpose of calculating diluted profit per share and diluted headline earnings per share	19,457,130	20,105,284	19,339,625	20,079,554
Basic profit per share	\$ 1.17	\$ 2.29	\$ 5.72	\$ 3.44
Diluted profit per share	1.14	2.19	5.58	3.29
Basic headline earnings per share	\$ 1.17	\$ 2.29	\$ 5.50	\$ 3.39
Diluted headline earnings per share	1.14	2.19	5.37	3.24

Short-form announcement

The full announcement includes the contents of the Report on Form 6-K as filed with the SEC on November 16, 2022, being the earnings results of Grindrod Shipping Holdings Ltd. for the three months and nine months ended September 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 November 17, 2022 and is available for viewing on the Company's website (www.grinshipping.com) and at

<https://senspdf.jse.co.za/documents/2022/jse/isse/GSHE/GRINQ32022.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 November 17, 2022.

Conference Call details

The Company will not be holding a conference call and webcast to discuss the results due to the currently open Tender Offer from Taylor Maritime Investments Limited.

Responsibility Statement

The directors of the Company (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

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

November 17, 2022

Sponsor Grindrod Bank Limited