GRINDROD SHIPPING

# Second Quarter 2022 Results

August 2022


**Forward-Looking Statements**



This presentation contains forward-looking statements with respect to the financial condition, results of operations, cash flows, business strategies, operating efficiencies, competitive position, growth opportunities, plans and objectives of management, markets for stock and other matters of Grindrod Shipping Holdings Ltd. ("**Grindrod Shipping**", "**we**", "**us**", or "**our**").

These forward-looking statements, including, among others, those relating to future business prospects, revenues and income, wherever they may occur in this presentation, 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 in Item 3. Key Information—Risk Factors" of Grindrod Shipping's Annual Report on Form 20-F for the year ended December 31, 2021 (the "**2021 Annual Report**") and other filings filed with the U.S. Securities and Exchange Commission (the "**SEC**"). 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; cyclicality of the drybulk market, including general drybulk shipping market conditions and trends, including fluctuations in charter hire rates and vessel values; 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; 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 Grindrod Shipping's vessels in the spot market and Grindrod Shipping's ability to enter into time charters after Grindrod Shipping's current charters expire; general economic conditions and conditions in the oil and coal industry; Grindrod Shipping's ability to satisfy the technical, health, safety and compliance standards of Grindrod Shipping's customers; the failure of counterparties to Grindrod Shipping's contracts to fully perform their obligations with us; Grindrod Shipping's ability to execute its growth strategy; international political and economic conditions, including additional tariffs imposed by the United States and China on their respective imports; 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 ("**LIBOR**") 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's regulations limiting sulfur content in fuels; potential liability from pending or future litigation; Grindrod Shipping's ability to procure or have access to financing, Grindrod Shipping's liquidity and the adequacy of cash flows for its operations; the continued borrowing availability under Grindrod Shipping's debt agreements and its 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 Grindrod Shipping's 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 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 presentation or to reflect the occurrence of unanticipated events, except as required by law.

**Market and Industry Data**

Unless otherwise indicated, information contained in this presentation concerning our industry and the market in which we operate, including our general expectations about our industry, market position, market opportunity and market size, is based on data from various sources including internal data and estimates as well as third party sources widely available to the public such as independent industry publications, government publications, reports by market research firms or other published independent sources. Internal data and estimates are based upon this information as well as information obtained from trade and business organizations and other contacts in the markets in which we operate and management's understanding of industry conditions. This information, data and estimates involve a number of assumptions and limitations, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed above and in "Forward Looking Statements" above. You are cautioned not to give undue weight to such information, data and estimates. While we believe the market and industry information included in this presentation to be generally reliable, we have not independently verified any third-party information or verified that more recent information is not available.

# FINANCIAL & OPERATIONAL HIGHLIGHTS


# Second Quarter & First Half 2022 Financial Highlights(1)

**Second Quarter 2022 Financial Highlights – Continuing Operations**

- Revenue increased to $161.6 million in Q2 2022, compared to $109.8 million in Q2 2021
- Gross Profit increased to $64.6 million in Q2 2022, compared to $35.6 million in Q2 2021
- Adjusted EBITDA increased to $73.9 million in Q2 2022, compared to $43.4 million in Q2 2021(2)
- Net Profit attributable to Owners of the Company increased to $56.8 million, or $2.99 per ordinary share, in Q2 2022 from $22.8 million, or $1.18 per ordinary share, in Q2 2021
- Adjusted Net Income increased to $53.3 million, or $2.81 per ordinary share, in Q2 2022 from $19.4 million, or $1.01 per ordinary share, in Q2 2021(2)

**First Half 2022 Financial Highlights – Continuing Operations**

- Revenue increased to $271.9 million in H1 2022, compared to $178.3 million in H1 2021
- Gross Profit increased to $105.3 million in H1 2022, compared to $48.2 million in H1 2021
- Adjusted EBITDA increased to $124.1 million in H1 2022, compared to $64.5 million in H1 2021(2)
- Net Profit attributable to Owners of the Company increased to $85.8 million, or $4.56 per ordinary share, in H1 2022 from $25.0 million, or $1.30 per ordinary share, in H1 2021
- Adjusted Net Income increased to $83.1 million, or $4.42 per ordinary share, in H1 2022 from $21.9 million, or $1.14 per ordinary share, in H1 2021(2)
- Period end cash and cash equivalents of $160.0 million and restricted cash of $9.7 million

(1) 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.

(2) Adjusted EBITDA, Adjusted Net Income and TCE per day are non-GAAP financial measures. For the reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, please refer to the definitions and reconciliations at the end of this presentation.

# Operational Highlights & Recent Developments

**Operational Highlights**

- 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)

# SECOND QUARTER & FIRST HALF 2022 FINANCIALS


# Unaudited Condensed Consolidated Statement of Profit or Loss

| (In thousands of U.S. dollars, other than per share | Three months ended June 30, 2022 | Three months ended June 30, 2021 | Six months ended June 30, 2022 | Six months ended June 30, 2021 |
|---|---|---|---|---|
| **Continuing Operations** | | | | |
| **Revenue** | $ 161,582 | $ 109,830 | $ 271,868 | $ 178,255 |
| **Cost of sales** | | | | |
| Voyage expenses | (22,712) | (25,450) | (46,389) | (43,083) |
| Vessel operating costs | (10,699) | (11,376) | (22,102) | (21,325) |
| Charter hire costs | (18,579) | (20,411) | (34,533) | (33,140) |
| Depreciation of ships, drydocking and plant and equipment– owned assets | (7,262) | (6,665) | (15,474) | (12,596) |
| Depreciation of ships and ship equipment – right-of-use assets | (8,779) | (8,752) | (17,527) | (17,046) |
| Other expenses | 971 | (1,571) | (621) | (2,864) |
| Cost of ship sale | (29,925) | - | (29,925) | - |
| **Gross profit** | 64,597 | 35,605 | 105,297 | 48,201 |
| Other operating income | 4,096 | 3,337 | 3,783 | 3,402 |
| Administrative expense | (7,629) | (7,889) | (15,890) | (14,169) |
| Share of (losses) profits of joint ventures | (1) | (5) | 1 | (28) |
| Interest income | 166 | 38 | 269 | 75 |
| Interest expense | (4,305) | (3,879) | (7,374) | (7,123) |
| **Profit before taxation** | **56,924** | **27,207** | **86,086** | **30,358** |
| Income tax (expense) benefit | (160) | 53 | (291) | 78 |
| **Profit for the period from continuing operations** | **56,764** | **27,260** | **85,795** | **30,436** |
| | | | | |
| **Discontinued operation** | | | | |
| Loss for the period from discontinued operation | - | (3,017) | - | (2,849) |
| **Profit for the period** | **56,764** | **24,243** | **85,795** | **27,587** |
| | | | | |
| **Profit for the period attributable to:** | | | | |
| Owners of the Company | 56,764 | 19,771 | 85,795 | 22,129 |
| Continuing operations | 56,764 | 22,788 | 85,795 | 24,978 |
| Discontinued operation | - | (3,017) | - | (2,849) |
| Non-controlling interests | - | 4,472 | - | 5,458 |
| | 56,764 | 24,243 | 85,795 | 27,587 |
| | | | | |
| **Profit per share attributable to owners of the** | | | | |
| From continuing and discontinued operation | | | | |
| Basic | $ 2.99 | $ 1.02 | $ 4.56 | $ 1.15 |
| Diluted | $ 2.92 | $ 1.01 | $ 4.45 | $ 1.13 |
| | | | | |
| From continuing operations | | | | |
| Basic | $ 2.99 | $ 1.18 | $ 4.56 | $ 1.30 |
| Diluted | $ 2.92 | $ 1.16 | $ 4.45 | $ 1.28 |



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# Unaudited Condensed Consolidated Statement of Financial Position

***Quarter-end Summary:***

*Total Debt[(2)]: $209.3mm*
*Total Cash[(3)]: $169.7mm*
*Net Debt[(4)]: $39.6mm*

| $Thousands | June 30, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| Cash and bank balances | $ | 165,396 | $ | 107,118 |
| Other current assets | | 64,047 | | 54,372 |
| **Total current assets** | **$** | **229,443** | **$** | **161,490** |
| Ships, property, plant and equipment | | 398,287 | | 437,479 |
| Right of use assets [(1)] | | 45,498 | | 32,467 |
| Restricted cash | | 4,290 | | 6,649 |
| Other non-current assets | | 7,300 | | 7,084 |
| **Total non-current assets** | **$** | **455,375** | **$** | **483,679** |
| **Total assets** | **$** | **684,818** | **$** | **645,169** |
| Bank loans & other borrowings – current | $ | 34,811 | $ | 28,020 |
| Lease liabilities – current [(1)] | | 41,834 | | 27,375 |
| Other current liabilities | | 42,697 | | 44,948 |
| **Total current liabilities** | **$** | **119,342** | **$** | **100,343** |
| Bank loans & other borrowings – non-current | | 174,447 | | 217,646 |
| Lease liabilities – non-current [(1)] | | 1,765 | | 5,896 |
| Other non-current liabilities | | 1,800 | | 1,649 |
| **Total non-current liabilities** | **$** | **178,012** | **$** | **225,191** |
| **Total equity** | **$** | **387,464** | **$** | **319,635** |
| **Total equity & liabilities** | **$** | **684,818** | **$** | **645,169** |

(1) IFRS-16 Leases.
(2) Total Bank Loans & Other Borrowings at 6/30/2022. Excludes IFRS-16 operating leases.
(3) Total Cash and Bank Balances and Restricted Cash at 6/30/2022.
(4) Represents Total Bank Loans & Other Borrowings less Total Cash and Bank Balances and Restricted Cash.



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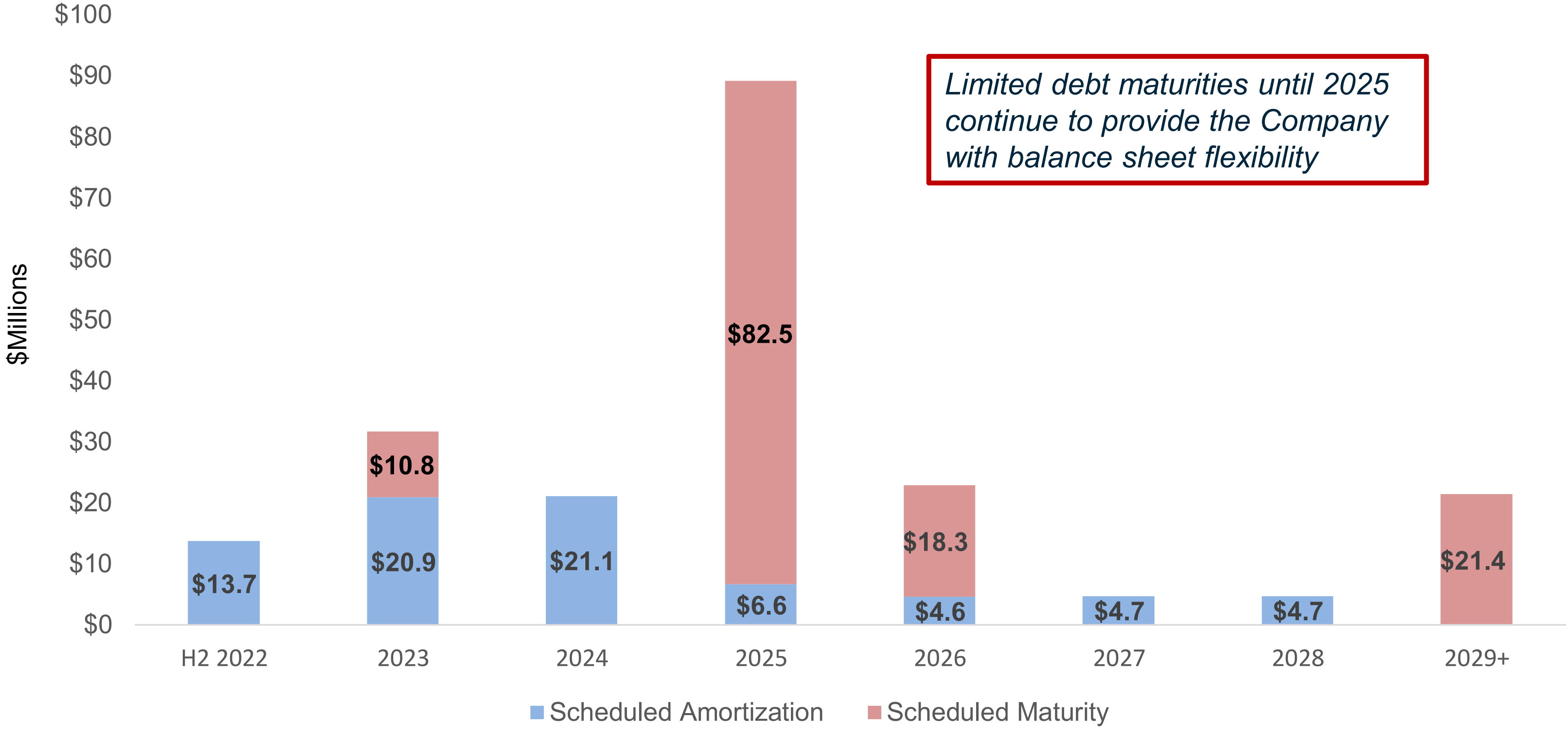
# Debt Amortization and Maturity Profile

## Bank Loans & Other Borrowings Repayment Profile as of June 30, 2022




*Limited debt maturities until 2025 continue to provide the Company with balance sheet flexibility*

# Drybulk Operational Performance[1]

| Handysize Segment | Three Months Ended Jun 30, 2022 | Three Months Ended Jun 30, 2021 | Six Months Ended Jun 30, 2022 | Six Months Ended Jun 30, 2021 |
|---|---|---|---|---|
| Revenue ($Thousands) | $ 52,570 | $ 37,364 | $ 88,815 | $ 61,066 |
| Cost of sales | (24,786) | (23,123) | (45,160) | (41,586) |
| Gross Profit | 27,784 | 14,241 | 43,655 | 19,480 |
| | | | | |
| Calendar days[2] | 1,597 | 1,662 | 3,040 | 3,158 |
| Available days[3] | 1,574 | 1,662 | 3,013 | 3,102 |
| Operating days[4] | 1,560 | 1,630 | 2,952 | 3,052 |
| Owned fleet operating days[5] | 1,328 | 1,333 | 2,627 | 2,609 |
| Long-term charter-in days[6] | - | - | - | - |
| Short-term charter-in days[7] | 232 | 297 | 325 | 443 |
| Fleet Utilization[8] | 99.1% | 98.1% | 98.0% | 98.4% |
| | | | | |
| **Average Daily Results ($)** | | | | |
| TCE per day [9] | $ 27,479 | $ 18,104 | $ 24,990 | $ 15,285 |
| Vessel Operating costs per day[10] | 5,247 | 6,130 | 5,461 | 5,602 |
| Long-term charter-in costs per day[11] | - | - | - | - |

| Supramax / Ultramax Segment | Three Months Ended Jun 30, 2022 | Three Months Ended Jun 30, 2021 | Six Months Ended Jun 30, 2022 | Six Months Ended Jun 30, 2021 |
|---|---|---|---|---|
| Revenue ($Thousands) | $ 78,246 | $ 71,039 | $ 150,990 | $ 114,467 |
| Cost of sales | (42,641) | (51,229) | (92,137) | (88,941) |
| Gross Profit | 35,605 | 19,810 | 58,853 | 25,526 |
| | | | | |
| Calendar days[2] | 2,123 | 2,494 | 4,365 | 4,963 |
| Available days[3] | 2,123 | 2,482 | 4,365 | 4,914 |
| Operating days[4] | 2,099 | 2,442 | 4,328 | 4,864 |
| Owned fleet operating days[5] | 819 | 728 | 1,626 | 4,104 |
| Long-term charter-in days[6] | 614 | 676 | 1,233 | 1,393 |
| Short-term charter-in days[7] | 666 | 1,038 | 1,469 | 2,067 |
| Fleet Utilization[8] | 98.9% | 98.4% | 99.2% | 99.0% |
| | | | | |
| **Average Daily Results ($)** | | | | |
| TCE per day [9] | $ 31,021 | $ 21,916 | $ 27,604 | $ 17,606 |
| Vessel Operating costs per day[10] | 5,139 | 5,116 | 5,338 | 5,212 |
| Long-term charter-in costs per day[11] | 13,948 | 12,867 | 13,552 | 12,611 |

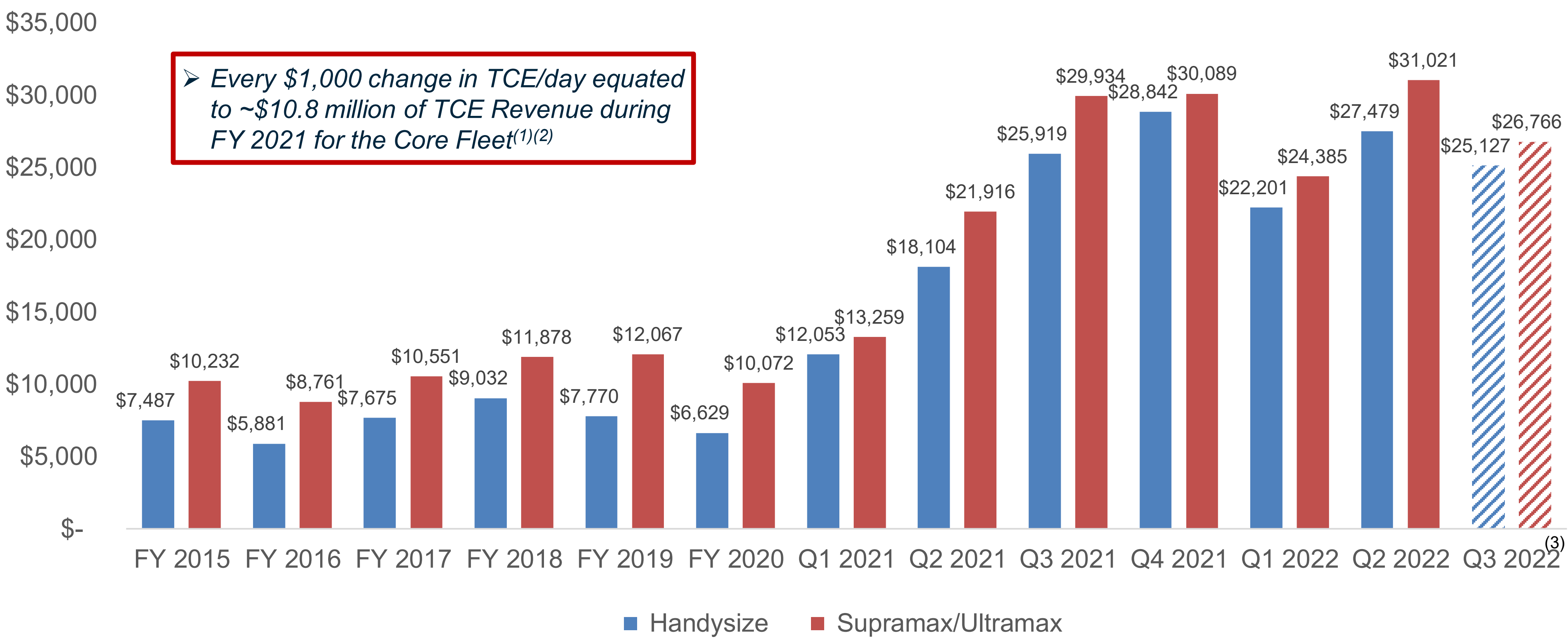
- As of August 10, 2022, we have contracted the following TCE per day for the third quarter of 2022
  - Handysize: 1,020 operating days at an average TCE per day of $25,127[9]
  - Supramax/Ultramax: 1,524 operating days at an average TCE per day of $26,766[9]
- The average long-term charter-in costs per day for the supramax/ultramax fleet for the third quarter of 2022 is expected to be approximately $14,921/day



*(1) Please refer to the Appendix (Slide 27) for full definitions and endnotes.*

# Grindrod Shipping Drybulk Freight Rates

## Grindrod Shipping Handysize & Supramax/Ultramax TCE Per Day [1]




- Approximately 90% of the fleet was predominantly trading either on index-linked cargo contracts, short-term time charters, or in the spot market, leaving the Company well-positioned to take advantage of the strong freight rate environment

(1) TCE per day is a non-GAAP financial measure. For a reconciliation of TCE per day to the most directly comparable GAAP measure and a discussion of why management believes TCE per day is a useful measure, see "Non-GAAP Financial Measures" at the end of this presentation.
(2) Based on a total of 10,832 Core Fleet (owned and long-term charter-in) operating days during FY 2021.
(3) Represents TCE for contracted days for Q3 2022 for each segment, as of August 10, 2022.



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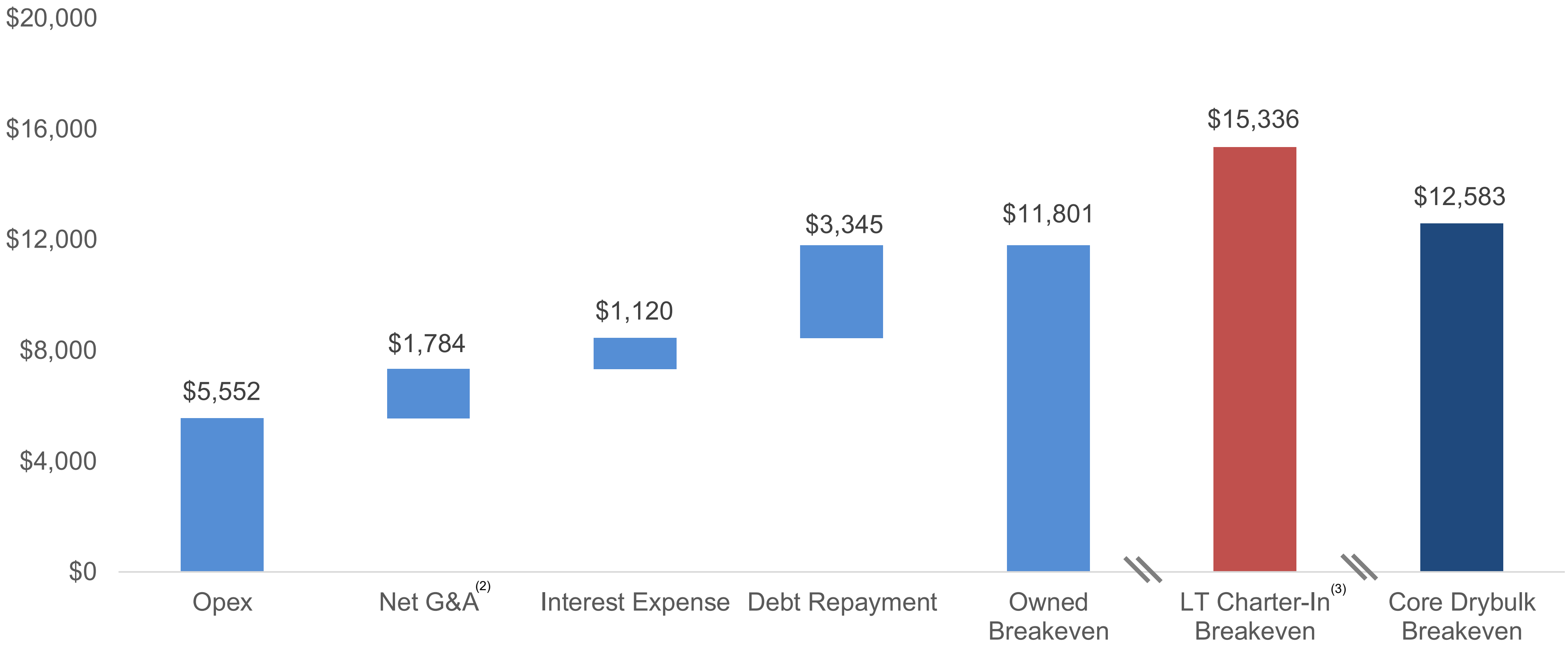
# First Half 2022 Fleet Cash Breakeven Overview

**Drybulk Fleet Breakeven Analysis for First Half 2022 ($ Per Ship Per Day) (1)**

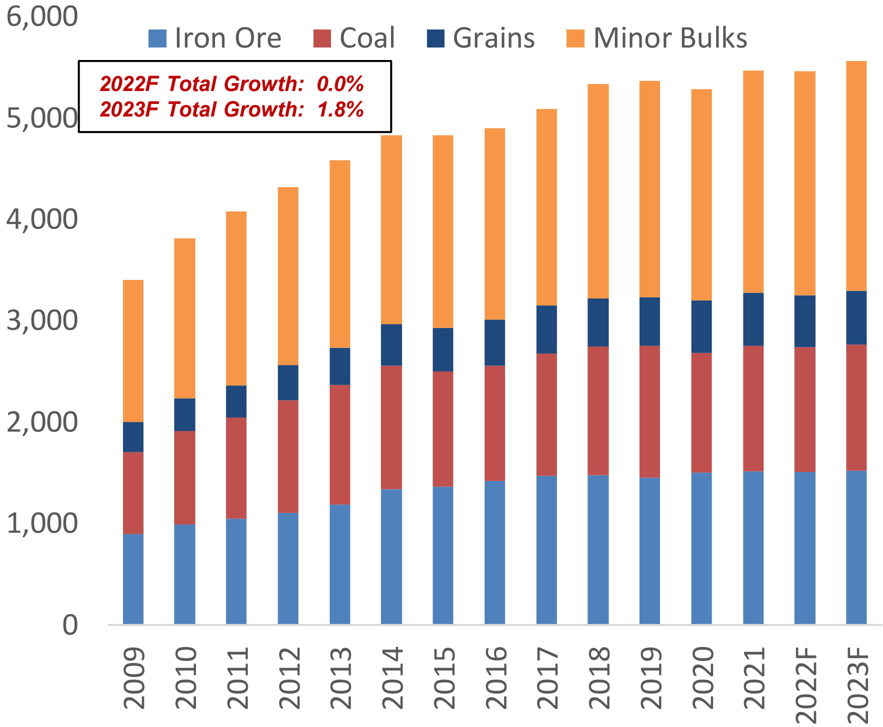



(1) Based on 5,555 Drybulk Fleet Days (excludes short-term days) in H1 2022, except Net G&A.
(2) Net G&A is a non-GAAP financial measure and has been adjusted for $1.4 million non-cash share compensation expense and $1.3 million of eliminations and adjustments. Based on 7,405 Total Calendar Days for H1 2022.
(3) Includes Net G&A per ship per day in addition to base daily charter-in cost of $13,552/day. Excludes opex, interest expense and debt repayment.

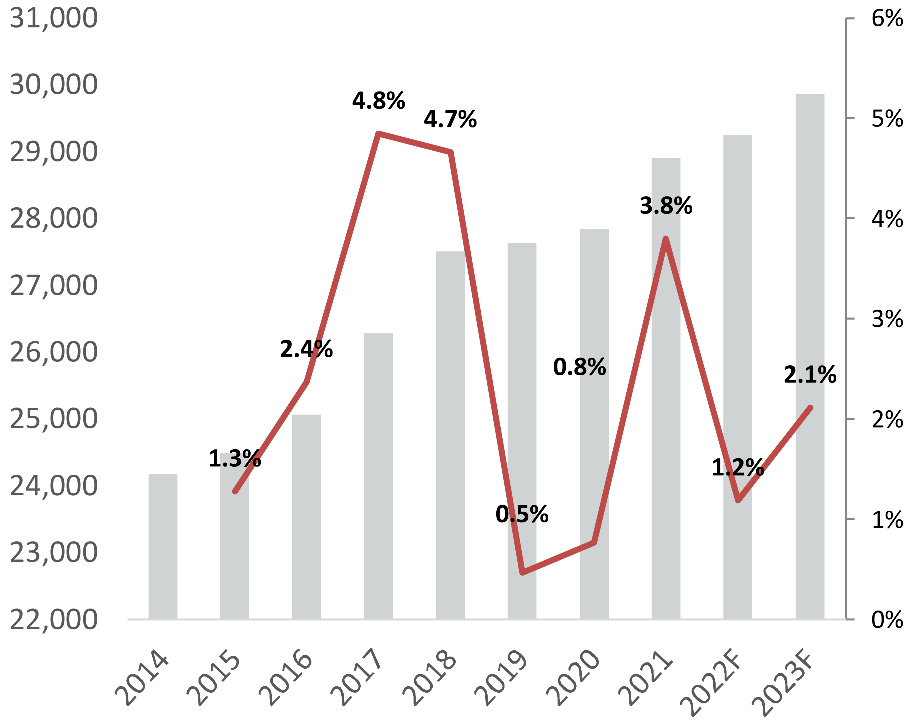
# DRYBULK MARKET HIGHLIGHTS


# Drybulk Demand – Macro Summary

**Drybulk Trade Development (MM Tonnes)**




**Drybulk Seaborne Tonne-Mile Demand (Bn. Tonne-Miles)**



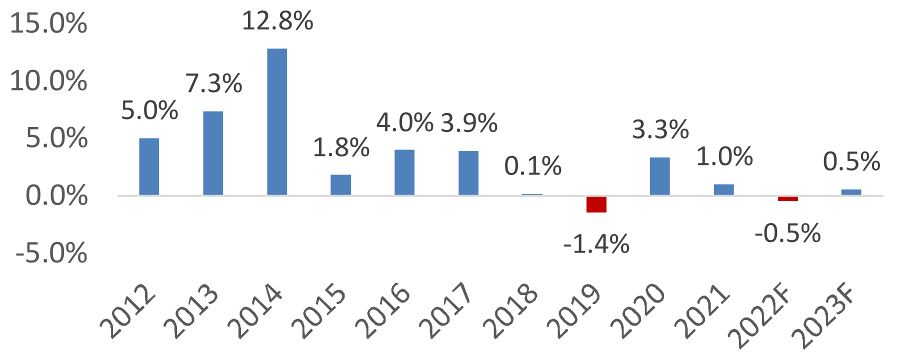

- The war in Ukraine has negatively impacted flows of certain drybulk commodities, particularly in the grain and fertilizer sectors, while weaker economic conditions in China have reduced steel demand, a key driver to global drybulk trade flows
- The demand hit is being partially offset by longer required voyages as replacement cargoes continue to be sourced from further afield
    - This is demonstrated by ton-mile demand expectations that are still expected to increase by 1.2% in 2022 while actual tons transported are projected to be flat year-over-year
- The primary examples of this trade route substitution are in the grain and coal markets, where buyers are sourcing alternatives to Ukrainian grains and European buyers are buying alternatives to Russian coal, while Russia finds new export markets for its coal



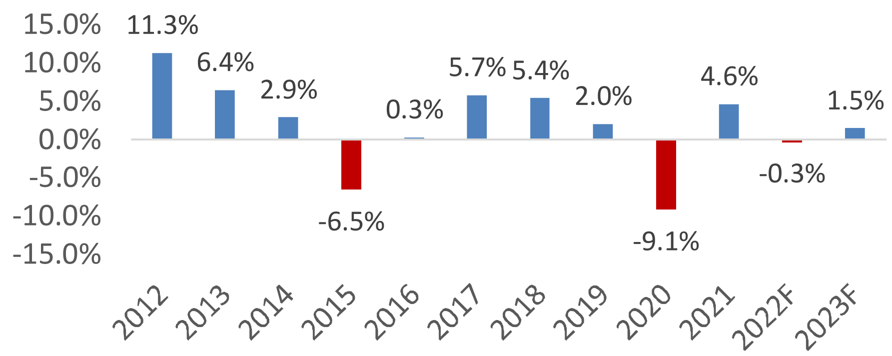
Source: Clarkson Research Services Ltd., July 2022.

# Drybulk Seaborne Trade – Key Cargoes

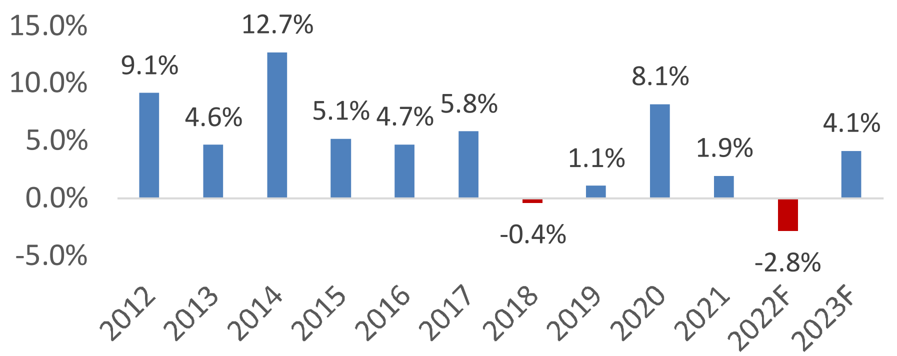
## Iron Ore Seaborne Trade Growth



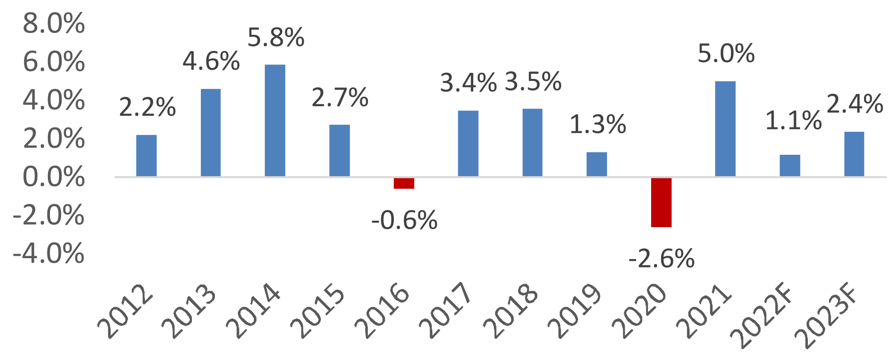

## Coal Seaborne Trade Growth




## Grain Seaborne Trade Growth




## Minor Bulk Seaborne Trade Growth



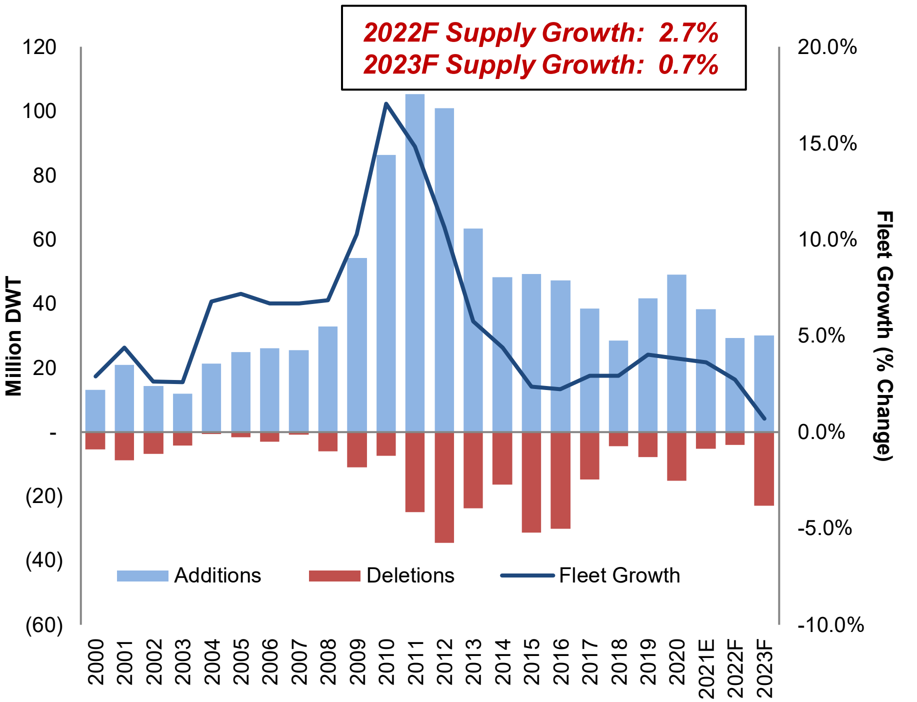

- Grain trade is expected to contract in 2022 primarily due to the loss of Ukrainian export cargoes, while the coal trade has been impacted as well due to some buyers avoiding Russian coal cargoes and increased domestic coal production in China
- Lockdowns in China have added uncertainty, further weakening steel demand in 2022, which has negatively impacted the iron trade
- Minor bulks, the key cargoes for our vessels, are expected to remain the lone bright spot exhibiting positive cargo growth during 2022
- For 2023, expectations are for a return to growth in all the major drybulk cargo categories



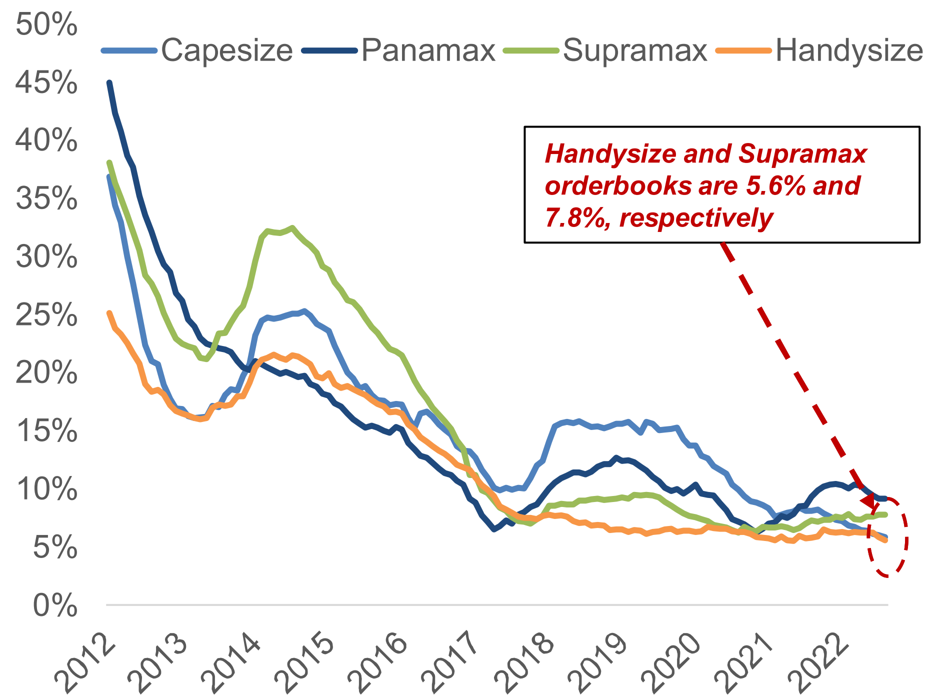
Source: Clarkson Research Services Ltd., July 2022.

# Drybulk Fleet Trends

## Drybulk Fleet Development




## Drybulk Orderbook as % of Fleet (By Vessel Class)




- Drybulk orderbook continues to shrink to multi-decade lows and is estimated at only ***7.1%*** of the fleet
- Despite strong market conditions, new ordering remains constrained by uncertainty relating to engine technology and emissions
- ***23%*** of the drybulk fleet is 15 years or older and ***12%*** of the drybulk fleet is 20 years or older, measured by deadweight tons



Source: Clarkson Research Services Ltd., July/August 2022.

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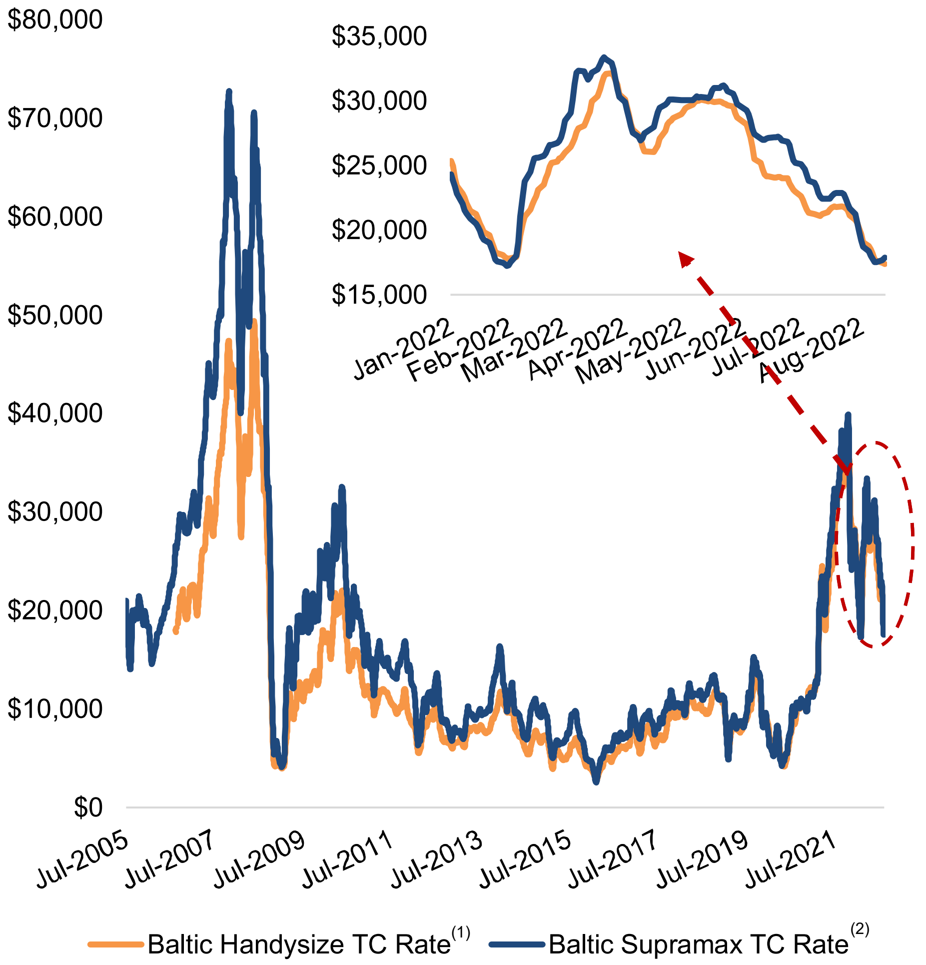
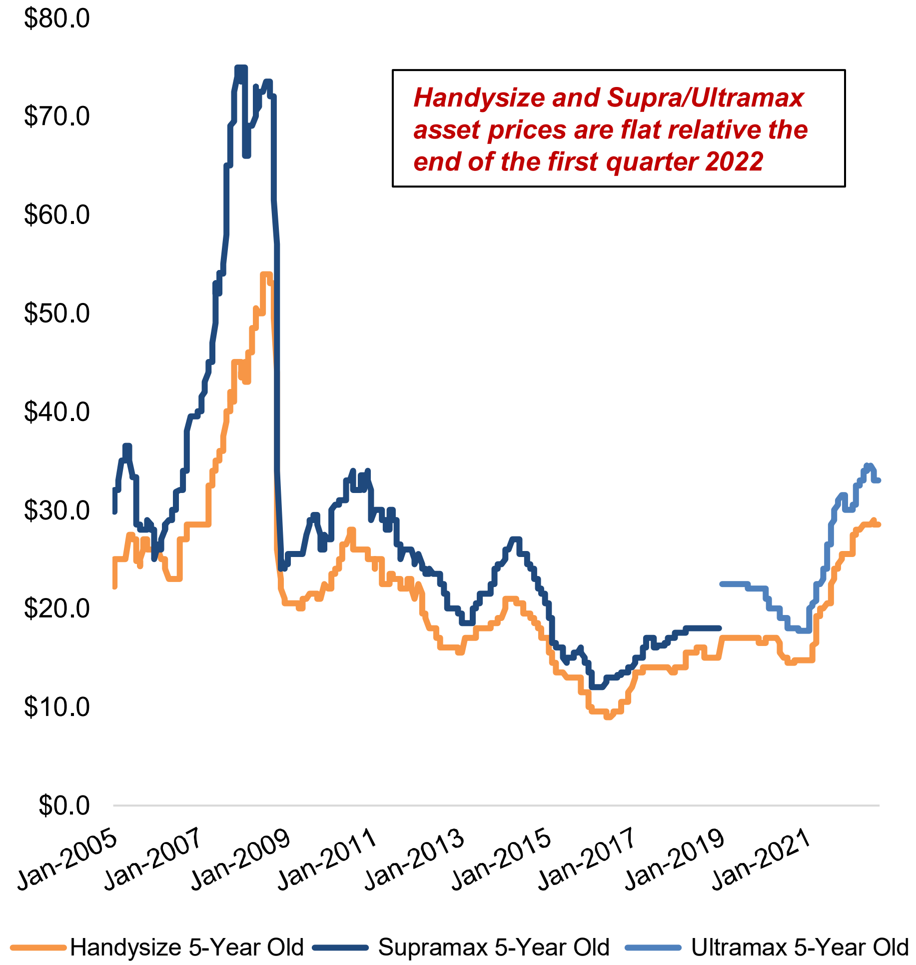
# Handysize and Supramax Charter Rates and Values

## Handysize / Supramax Spot TC Rates ($/Day)




## Handysize / Supramax Asset Prices ($Millions)




(1) Baltic Exchange Handysize-28 TC Index until the end of 2017, Handysize-38 TC Index thereafter.
(2) Baltic Exchange Supramax-52 TC index until the end of 2017, Supramax-58 TC Index thereafter.
Source: Clarkson Research Services Ltd., August 2022.



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# SUMMARY & OUTLOOK


# Summary & Outlook

## YTD 2022 Achievements

- Second quarter 2022 results were the strongest in over a decade as drybulk markets remained elevated during the quarter and first half
- Commercial strategy continuing to demonstrate its potential with material profits generated from both our long- and short-term charter-in vessels, while we opportunistically exercised the purchase option on the *IVS Pinehurst* at very attractive levels using cash on hand
- Continued our flexible dividend and capital return policy in the second quarter, materially rewarding shareholders with a cash dividend of $0.84 per share, our highest since we commenced our dividend policy in Q3 2021

## Outlook

- War in Ukraine is disrupting the grain trade and other commodity flows due to the impact of Russian sanctions, though shipping demand has remained more resilient due to replacement cargoes being sourced from longer distances, increasing ton-miles
- Smallest newbuilding orderbook in decades continues to support market strength in medium term due to constriction in vessel supply growth as uncertainty over engine technology and emissions hampers newbuilding orders, particularly in the smaller vessel segments
- Newbuilding orders in other sectors such as LNG and container shipping has limited the shipyard spare capacity, meaning that most new orders could not hit the water until mid-2024 at the earliest
- To the extent that tonne-mile demand continues to grow, the lack of available supply growth combined with EEXI environmental regulations in 2023 is expected to lead to an attractive potential multi-year window for the drybulk market



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# APPENDIX


# Owned Fleet Update – 25 Vessels with Avg Age of ~8 Years

## Handysize Owned Fleet – 15 Vessels

| Vessel Name | Built | DWT | Country of Build | Eco | Ownership Percentage |
|---|---|---|---|---|---|
| IVS Tembe | 2016 | 37,740 | Japan | Yes | 100% |
| IVS Sunbird | 2015 | 33,400 | Japan | Yes | 100% |
| IVS Thanda | 2015 | 37,720 | Japan | Yes | 100% |
| IVS Kestrel | 2014 | 32,770 | Japan | Yes | 100% |
| IVS Phinda | 2014 | 37,720 | Japan | Yes | 100% |
| IVS Sparrowhawk | 2014 | 33,420 | Japan | Yes | 100% |
| IVS Merlion | 2013 | 32,070 | China | No | 100% |
| IVS Raffles | 2013 | 32,050 | China | No | 100% |
| IVS Ibis | 2012 | 28,240 | Japan | No | 100% |
| IVS Kinglet | 2011 | 33,130 | Japan | No | 100% |
| IVS Magpie | 2011 | 28,240 | Japan | No | 100% |
| IVS Orchard | 2011 | 32,530 | China | No | 100% |
| IVS Knot | 2010 | 33,140 | Japan | No | 100% |
| IVS Sentosa | 2010 | 32,700 | China | No | 100% |
| IVS Kingbird | 2007 | 32,560 | Japan | No | 100% |

Handysize Owned: 15 Vessels 497,430 DWT

## Supramax / Ultramax Owned Fleet – 10 Vessels

| Vessel Name | Built | DWT | Country of Build | Eco | Ownership Percentage |
|---|---|---|---|---|---|
| IVS Okudogo | 2019 | 61,330 | Japan | Yes | 100% |
| IVS Phoenix | 2019 | 61,470 | Japan | Yes | 100% |
| IVS Prestwick | 2019 | 61,300 | Japan | Yes | 100% |
| IVS Swinley Forest | 2017 | 60,490 | Japan | Yes | 100% |
| IVS Gleneagles | 2016 | 58,070 | Japan | Yes | 100% |
| IVS North Berwick | 2016 | 60,480 | Japan | Yes | 100% |
| IVS Bosch Hoek | 2015 | 60,270 | Japan | Yes | 100% |
| IVS Hirono | 2015 | 60,280 | Japan | Yes | 100% |
| IVS Wentworth | 2015 | 58,090 | Japan | Yes | 100% |
| IVS Pinehurst | 2015 | 57,810 | Philippines[1] | Yes | 100% |

Supra/Ultra Owned: 10 Vessels 599,590 DWT

Owned Drybulk: 25 Vessels 1,097,020 DWT

(1) Constructed at Tsuneishi Cebu Shipyard, a subsidiary of Tsuneishi Shipbuilding of Japan.

# Long-Term Charter-In Fleet Update – 6 Vessels

- *In order to provide our shareholders with more clarity on the value of our long-term charter-in vessels and associated purchase options, we have provided additional financial information on the contracts*

| Vessel Name | Built | Country of Build | DWT | Daily Charter-in Rate @ Jun 30 2022 | Charter Expiry Range | Purchase Option Price |
|---|---|---|---|---|---|---|
| IVS Atsugi (1) | 2020 | Japan | 62,660 | $12,200 | 4Q 2022-2024 | $25.2 |
| IVS Pebble Beach (2) | 2020 | Japan | 62,660 | 12,200 | 3Q 2022-2024 | $25.2 |
| IVS Hayakita (3) | 2016 | Japan | 60,400 | 13,500 | 3Q 2023-2026 | ~$22.3 |
| IVS Windsor (4) | 2016 | Japan | 60,280 | 13,385 | 3Q 2023-2026 | None |
| IVS Crimson Creek (5) | 2014 | Japan | 57,950 | 26,276 | 2Q 2023 | None |
| IVS Naruo (6) | 2014 | Japan | 60,030 | 12,750 | 4Q 2022-2024 | ~$13.2 |

*(1) Chartered-in until Q4 2022 with two one-year options to extend, at charter-in rates of $12,950 per day for the first extension year and $13,700 per day for the second extension year. The purchase option is exercisable beginning in Q4 2022 subject to contract terms and conditions.*

*(2) Chartered-in until Q3 2022 with two one-year options to extend, at charter-in rates of $12,950 per day for the first extension year and $13,700 per day for the second extension year. The purchase option is exercisable beginning in Q3 2022 subject to contract terms and conditions.*

*(3) Chartered-in until Q3 2023 with two one-year options to extend and one nine-month option to extend, at charter-in rates of $14,000 per day for the first extension year, $14,500 per day for the second extension year, and $14,800 per day for the following nine-month extension period. The purchase option is exercisable next in Q3 2022 subject to contract terms and conditions and includes an estimated Japanese Yen denominated component but excludes estimated 50/50 profit sharing with vessel owner. The Japanese Yen component has been converted to at a rate of 137 Yen to $1.*

*(4) Chartered-in until Q3 2023 with two one-year options to extend and one nine-month option to extend, at charter-in rates of $13,885 per day for the first extension year, $14,385 per day for the second extension year, and $14,885 per day for the following nine-month extension period.*

*(5) Chartered-in for a period of 11 to 13 months at a charter-in rate of $26,276 per day commencing May 1, 2022.*

*(6) Chartered-in until January 2023 at $13,000 with two additional one-year options to extend at $13,000 per day for each extension year. The first extension year was exercised and the second extension period will be exercisable beginning Q4 2022. The purchase option is exercisable next in Q4 2022 subject to contract terms and conditions and includes an estimated Japanese Yen denominated component which has been converted to at a rate of 137 Yen to $1.*

# Non-GAAP Financial Measures

The financial information included in this presentation includes certain "non-GAAP financial measures" as such term is defined in SEC regulations governing the use of non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in, or excluded from, the most directly comparable measure calculated and presented in accordance with IFRS. For example, non-GAAP financial measures may exclude the impact of certain unique and/or non-operating items such as acquisitions, divestitures, restructuring charges, large write-offs or items outside of management's control. Management believes that the non-GAAP financial measures described below provide investors and analysts useful insight into our financial position and operating performance.

*TCE Revenue and TCE per day*

TCE revenue is defined as vessel revenue less voyage expenses. Such TCE revenue, divided by the number of our operating days during the period, is TCE per day. Vessel revenue and voyage expenses as reported for our operating segments include a proportionate share of vessel revenue and voyage expenses attributable to our joint ventures based on our proportionate ownership of the joint ventures for the period the joint venture existed during the relevant period. The number of operating days used to calculate TCE per day also includes the proportionate share of our joint ventures' operating days for the period the joint venture existed during the relevant period and also includes charter-in days.

TCE per day is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters have to cover voyage expenses and are generally not expressed in per-day amounts while charter hire rates for vessels on time charters do not cover voyage expenses and generally are expressed in per day amounts.

Below is a reconciliation from TCE revenue to revenue for the three and six month periods ended June 30, 2022 and 2021.

| | Three months ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | 2021 | | |
| (In thousands of U.S. dollars) | Revenue | Voyage Expenses | TCE Revenue | Revenue | Voyage Expenses | TCE Revenue |
| Vessel revenue | | | | | | |
| Handysize | 52,446 | (9,579) | 42,867 | 37,246 | (7,736) | 29,510 |
| Supramax/ultramax | 78,246 | (13,133) | 65,113 | 71,039 | (17,519) | 53,520 |
| Other | 786 | | | 1,426 | | |
| Ship sale revenue | 29,981 | | | - | | |
| Other revenue | 123 | | | 119 | | |
| Revenue | **161,582** | | | **109,830** | | |

| | Six months ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | | | 2021 | | |
| (In thousands of U.S. dollars) | Revenue | Voyage Expenses | TCE Revenue | Revenue | Voyage Expenses | TCE Revenue |
| Vessel revenue | | | | | | |
| Handysize | 88,637 | (14,866) | 73,771 | 60,757 | (14,107) | 46,650 |
| Supramax/ultramax | 150,990 | (31,522) | 119,468 | 114,413 | (28,779) | 85,634 |
| Other | 2,082 | | | 2,722 | | |
| Ship sale revenue | 29,981 | | | - | | |
| Other revenue | 178 | | | 363 | | |
| Revenue | **271,868** | | | **178,255** | | |



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# Non-GAAP Financial Measures (Cont'd)

*EBITDA and Adjusted EBITDA*

EBITDA is defined as earnings before income tax (expense) benefit, interest income, interest expense, share of (profits) losses of joint ventures and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude the items set forth in the table below, which represent certain non-recurring, non-operating or other items that we believe are not indicative of the ongoing performance of our core operations.

EBITDA and Adjusted EBITDA are used by analysts in the shipping industry as common performance measures to compare results across peers. EBITDA and Adjusted EBITDA are not items recognized by IFRS, and should not be considered in isolation or used as alternatives to profit (loss) for the period or any other indicator of our operating performance.

Our presentation of EBITDA and Adjusted EBITDA is intended to supplement investors' understanding of our operating performance by providing information regarding our ongoing performance that exclude items we believe do not directly affect our core operations and enhancing the comparability of our ongoing performance across periods. Our management considers EBITDA and Adjusted EBITDA to be useful to investors because such performance measures provide information regarding the profitability of our core operations and facilitate comparison of our operating performance to the operating performance of our peers. Additionally, our management uses EBITDA and Adjusted EBITDA as measures when reviewing our operating performance. While we believe these measures are useful to investors, the definitions of EBITDA and Adjusted EBITDA used by us may not be comparable to similar measures used by other companies.

The table below presents the reconciliation between EBITDA and Adjusted EBITDA to profit (loss) for the period for the three and six months ended June 30, 2022 and 2021.

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **2022** | **2021** | **2022** | **2021** |
| **Profit for the period from continuing operations** | $ 56,764 | $ 27,260 | $ 85,795 | $ 30,436 |
| Adjusted for: | | | | |
| Income tax expense (benefit) | 160 | (53) | 291 | (78) |
| Interest income | (166) | (38) | (269) | (75) |
| Interest expense | 4,305 | 3,879 | 7,374 | 7,123 |
| Share of losses (profits) of joint ventures | 1 | 5 | (1) | 28 |
| Depreciation and amortization | 16,308 | 15,714 | 33,543 | 30,233 |
| **EBITDA from continuing operations** | 77,372 | 46,767 | 126,733 | 67,667 |
| Adjusted for | | | | |
| Reversal of impairment loss recognized on ships | (4,073) | (3,557) | (4,073) | (3,557) |
| Impairment loss recognized on goodwill and intangibles | - | 965 | - | 965 |
| Reversal of impairment loss recognized on right-of-use assets | - | (1,046) | - | (1,046) |
| Share based compensation | 598 | 256 | 1,392 | 512 |
| **Adjusted EBITDA from continuing operations** | 73,897 | 43,385 | 124,052 | 64,541 |



* 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.

# Non-GAAP Financial Measures (Cont'd)

*Adjusted net income and Adjusted Earnings per share*

*Adjusted net income is defined as Profit for the period attributable to the owners of the Company adjusted for (reversal of) impairment loss recognized on ships, impairment loss recognized on goodwill and intangibles, reversal of impairment loss recognized on right-of-use assets, impairment loss on net disposal group, loss on disposal of business, share based compensation and non-recurring expenditure. Adjusted Earnings per share represents this figure divided by the weighted average number of ordinary shares outstanding for the period.*

*Adjusted net income is used by management for forecasting, making operational and strategic decisions, and evaluating current company performance. It is also one of the inputs used to calculate the variable amount that will be returned to shareholders in the form of quarterly dividends and/or share repurchases. Adjusted net income is not recognized by IFRS, and should not be considered in isolation or used as alternatives to profit for the period or any other indicator of our operating performance.*

*Our presentation of Adjusted net income is intended to supplement investors' understanding of our operating performance by providing information regarding our ongoing performance that exclude items we believe do not directly affect our core operations and enhancing the comparability of our ongoing performance across periods. We consider Adjusted net income to be useful to management and investors because it eliminates items that are unrelated to the overall operating performance and that may vary significantly from period to period. Identifying these elements will facilitate comparison of our operating performance to the operating performance of our peers. The definitions of Adjusted net income used by us may not be comparable to similar measures used by other companies.*

*The table below presents the reconciliation between Adjusted net income to Profit for the period attributable to the owners of the Company for the three and six months ended June 30, 2022 and 2021.*

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **2022** | **2021** | **2022** | **2021** |
| **Profit for the period attributable to owners of the Company for continuing operations** | $ 56,764 | $ 22,788 | $ 85,795 | $ 24,978 |
| Adjusted for: | | | | |
| Reversal of impairment loss recognized on ships | (4,073) | (3,557) | (4,073) | (3,557) |
| Impairment loss recognized on goodwill and intangibles | - | 965 | - | 965 |
| Reversal of impairment loss recognized on right-of-use assets | - | (1,046) | - | (1,046) |
| Share based compensation | 598 | 256 | 1,392 | 512 |
| **Adjusted net income for continuing operations** | 53,289 | 19,406 | 83,114 | 21,852 |
| Weighted average number of shares on which the profit per share and adjusted 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 adjusted earnings per share | 19,418,662 | 19,644,823 | 19,280,111 | 19,550,476 |
| Basic profit per share for continuing operations | $ 2.99 | $ 1.18 | $ 4.56 | $ 1.30 |
| Diluted profit per share for continuing operations | 2.92 | 1.16 | 4.45 | 1.28 |
| Basic adjusted earnings per share for continuing operations | $ 2.81 | $ 1.01 | $ 4.42 | $ 1.14 |
| Diluted adjusted earnings per share for continuing operations | 2.74 | 0.99 | 4.31 | 1.12 |



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# Charter-In Costs

*Long-term charter-in costs and Long-term charter-in costs per day*

Long-term charter-in costs is defined as the charter costs relating to chartered-in vessels included in our fleet from time to time, which are vessels for which the period of the charter that we initially commit to is 12 months or more, even if at a given time the remaining period of their charter may be less than 12 months ("long-term charter-in vessels"). Such long-term charter-in costs, divided by the number of operating days for the relevant vessels during the period, is long-term charter-in costs per day.

Long-term charter-in costs and long-term charter-in costs per day are non-GAAP performance measures used primarily to provide an understanding of the total costs and total costs per day relating to the charter-in of the Company's long-term chartered-in vessels.

Below is a reconciliation from long-term charter-in costs to adjusted charter hire costs for the three and six month periods ended June 30, 2022 and 2021.

| | Three months ended June 30, 2022 | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **Charter hire costs** | **Lease payments on Ships** | **Adjusted charter hire costs** | **Long-term charter-in costs** | **Short-term charter-in costs** | **Adjusted charter hire costs** |
| Handysize | 4,672 | - | 4,672 | - | 4,672 | 4,672 |
| Supramax/ultramax | 13,907 | 9,854 | 23,761 | 8,564 | 15,197 | 23,761 |
| | **18,579** | **9,854** | **28,433** | | | **28,433** |

| | Three months ended June 30, 2021 | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **Charter hire costs** | **Lease payments on Ships** | **Adjusted charter hire costs** | **Long-term charter-in costs** | **Short-term charter-in costs** | **Adjusted charter hire costs** |
| Handysize | 3,923 | - | 3,923 | - | 3,923 | 3,923 |
| Supramax/ultramax | 16,488 | 9,335 | 25,823 | 8,698 | 17,125 | 25,823 |
| | **20,411** | **9,335** | **29,746** | | | **29,746** |

| | Six months ended June 30, 2022 | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **Charter hire costs** | **Lease payments on Ships** | **Adjusted charter hire costs** | **Long-term charter-in costs** | **Short-term charter-in costs** | **Adjusted charter hire costs** |
| Handysize | 5,930 | - | 5,930 | - | 5,930 | 5,930 |
| Supramax/ultramax | 28,603 | 19,077 | 47,680 | 16,709 | 30,971 | 47,680 |
| | **34,533** | **19,077** | **53,610** | | | **53,610** |

| | Six months ended June 30, 2021 | | | | | |
|---|---|---|---|---|---|---|
| **(In thousands of U.S. dollars)** | **Charter hire costs** | **Lease payments on Ships** | **Adjusted charter hire costs** | **Long-term charter-in costs** | **Short-term charter-in costs** | **Adjusted charter hire costs** |
| Handysize | 5,028 | - | 5,028 | - | 5,028 | 5,028 |
| Supramax/ultramax | 28,112 | 18,253 | 46,365 | 17,567 | 28,798 | 46,365 |
| | **33,140** | **18,253** | **51,393** | | | **51,393** |



* 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.

# Drybulk Operational Performance Endnotes (Slide 10)

*(1) Segment results of operations include the proportionate share of joint ventures, which differs from the consolidated statements of profit or loss in our unaudited condensed consolidated financial statements which account for our investments in joint ventures under the equity method.*

*(2) Calendar days: total calendar days the vessels were in our possession for the relevant period.*

*(3) Available days: total number of calendar days a vessel is in our possession for the relevant period after subtracting off-hire days for scheduled drydocking and special surveys. We use available days to measure the number of days in a relevant period during which vessels should be available for generating revenues.*

*(4) 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 revenues.*

*(5) Owned fleet operating days: the number of operating days in which our owned fleet is operating for the relevant period.*

*(6) Long-term charter-in days: the number of operating days in which our long-term charter-in fleet is operating for the relevant period. We regard chartered-in vessels as long-term charters if the period of the charter that we initially commit to is 12 months or more. Once we have included such chartered-in vessels in our Fleet, we will continue to regard them as part of our Fleet until the end of their chartered-in period, including any period that the charter has been extended under an option, even if at a given time the remaining period of their charter may be less than 12 months.*

*(7) Short-term charter-in days: the number of operating days for which we have chartered-in third party vessels for durations of less than one year for the relevant period.*

*(8) Fleet utilization: the percentage of time that vessels are available for generating revenue, determined by dividing the number of operating days during a relevant period by the number of available days during that period. We use fleet utilization to measure a company's efficiency in technically managing its vessels.*

*(9) TCE per day: vessel revenues less voyage expenses during a relevant period divided by the number of operating days during the period. The number of operating days used to calculate TCE revenue per day includes the proportionate share of our joint ventures' operating days and includes charter-in days. See "Non-GAAP Financial Measures" at the end of this presentation.*

*(10) Vessel operating costs per day: Vessel operating costs per day represents vessel operating costs divided by the number of calendar days for owned vessels. The vessel operating costs and the number of calendar days used to calculate vessel operating costs per day includes the proportionate share of our joint ventures' calendar day and excludes charter-in costs and charter-in days.*

*(11) Long-term charter-in costs per day: Charter hire expenses associated with long-term charter-in vessels divided by long-term charter-in days for the relevant period. (please refer to Annex A)*

# QUESTIONS?

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