

GRINDROD SHIPPING HOLDINGS LTD.  
ABBREVIATED NAME: GRINSHIP  
Registered in Singapore with registration number 201731497H  
JSE Share code: GSH  
ISIN: SG9999019087  
Primary listing on NASDAQ Global Select Market  
Secondary listing on the JSE Main Board

### **Grindrod Shipping Holdings Ltd. Announces Unaudited Financial Results for the three months and nine months ended September 30, 2021 and Interim Dividend**

Grindrod Shipping Holdings Ltd. (NASDAQ: GRIN) (JSE: GSH) ("Grindrod Shipping" or "Company" or "it" or "we"), a global provider of maritime transportation services predominantly in the drybulk sector, announced its unaudited earnings results for the three months and nine months ended September 30, 2021 and that the directors of the Company have resolved to declare a gross cash dividend from profits in respect of the 3<sup>rd</sup> Quarter Financial Year 2021 ended 30 September 2021 in the amount of US\$0.72 per ordinary share to shareholders reflected in the Company's register on the record date, being Friday, 3 December 2021.

#### **Financial Highlights for the three months Ended September 30, 2021**

- Revenues of \$135.1 million
- Gross profit of \$62.0 million
- Profit for the period of \$49.1 million
- Profit for the period attributable to owners of the Company of \$44.0 million, or \$2.29 per ordinary share
- Adjusted net income of \$45.8 million, or \$2.38 per ordinary share<sup>(1)</sup>
- Adjusted EBITDA of \$69.0 million<sup>(1)</sup>
- Repurchased a combined total of 91,871 ordinary shares in the open market on NASDAQ and the JSE at an average price of \$14.87 per share.
- Handysize and supramax/ultramax TCE per day of \$25,919 and \$29,934, respectively<sup>(1)</sup>

#### **Financial Highlights for the nine months Ended September 30, 2021**

- Revenues of \$366.4 million
  - Gross profit of \$110.2 million
  - Profit for the period of \$76.7 million
  - Profit for the period attributable to owners of the Company of \$66.1 million or \$3.44 per ordinary share
  - Adjusted net income of \$67.3 million, or \$3.50 per ordinary share<sup>(1)</sup>
  - Adjusted EBITDA of \$131.5 million<sup>(1)</sup>
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- Repurchased a combined total of 125,338 ordinary shares in the open market on NASDAQ and the JSE at an average price of \$13.16 per share.
- Handysize and supramax/ultramax TCE per day of \$18,847 and \$21,514, respectively<sup>(1)</sup>
- Period end cash and cash equivalents of \$76.1 million and restricted cash of \$9.0 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 September 30, 2021**

- The Company has exercised its option to extend the firm charter-in period of the 2015-built supramax bulk carrier *IVS Pinehurst* for 11 to 13 months at \$10,000/day, starting from approximately January 3, 2022.
- On September 1, 2021, the acquisition of the remaining 31.14% equity stake in its IVS Bulk joint venture ("IVS Bulk") and concurrent redemption of the IVS Bulk preference shares were concluded.
- On September 15, 2021, the Company amended one of its existing credit facilities to drawdown an additional \$23.0 million to fund the IVS Bulk acquisition.
- On September 16, 2021, the Company completed the acquisition of the 2019 Japanese-built ultramax bulk carrier *IVS Phoenix* for \$23.5 million and the concurrent financing for \$25.0 million.

### **Recent Developments**

- The Company exercised its option to extend the firm charter-in period of the 2014-built supramax bulk carrier *IVS Naruo* for 12 months at \$13,000/day, starting from approximately January 21, 2022.
- As of November 14, 2021, we have contracted the following TCE per day for the fourth quarter of 2021<sup>(1)</sup>:
  - Handysize: approximately 1,205 operating days<sup>(2)</sup> at an average TCE per day of approximately \$30,265
  - Supramax/ultramax: approximately 1,579 operating days<sup>(2)</sup> at an average TCE per day of approximately \$33,102

<sup>(1)</sup> TCE per day is a non-GAAP financial measure. For the definition of this non-GAAP financial measure and the reconciliation of this measure to the most directly comparable financial measure calculated and presented in accordance with GAAP, please refer to the definitions and reconciliations in "Non-GAAP Financial Measures" at the end of this press release.

<sup>(2)</sup> Operating days: the number of available days in the relevant period a vessel is controlled by us after subtracting the aggregate number of days that the vessel is off-hire due to a reason other than scheduled drydocking and special surveys, including unforeseen circumstances. We use operating days to measure the aggregate number of days in a relevant period during which vessels are actually available to generate revenue.

## CEO Commentary

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

“During the third quarter of 2021, Grindrod Shipping achieved stronger results taking full advantage of the robust market conditions and our expanded owned fleet following the acquisition of the remaining portion of our IVS Bulk subsidiary. We generated Gross Profit, Profit for the period attributable to owners of the Company, Adjusted EBITDA and Adjusted Net Income of \$62.0 million, \$44.0 million, \$69.0 million, and \$45.8 million, respectively. We are particularly pleased to announce the declaration of our first quarterly cash dividend of \$0.72 per ordinary share under our new dividend and capital return policy of returning approximately 30% of our Adjusted Net Income to our shareholders through a combination of share repurchase and dividends.

Today, Grindrod Shipping is strategically positioned to benefit from the robust dry bulk market. With an average age of six years, our Fleet consists of approximately 70% “Eco” vessels built predominantly in Japan, and is, we believe, among the youngest and most efficient in the industry, with distinct commercial and operational advantages. In addition, our dynamic and flexible commercial strategy of opportunistically chartering-in vessels at attractive rates on both long- and short-term time charters with extension options improves our ability to service our cargo contracts and realise potential earnings and profitability with contracted rates which are at levels significantly below the current spot rates. We were also able to generate additional revenue during the period from our short-term fleet, with several vessels that were opportunistically chartered-in during 2020 at rates well below current spot rates. The original charters contained fixed rate extension options which continue to benefit the profitability of the Company.

Furthermore, as also disclosed, we hold purchase options for five of our long-term chartered-in vessels, below their prevailing market values, thereby presenting us with highly attractive options to grow our owned fleet. The recent acquisition and financing of the *IVS Phoenix* during the quarter is a prime example of the advantages and benefits of this strategy.

Finally, we were pleased to complete the Company’s first capital markets secondary offering since our spin-off and listing in 2018. The Company did not sell any shares in the offering, but it has benefited from increased daily trading liquidity, has a stronger US institutional shareholder base, and increased market float in the US, which has now reached over 37% of shares outstanding, as of October 2021.”

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

The Johannesburg Stock Exchange, or JSE, requires that we calculate and publicly disclose Headline earnings (loss) per share and diluted Headline earnings (loss) per share. Headline earnings (loss) per share is calculated using net income which has been determined based on IFRS. Accordingly, this may differ to the Headline earnings (loss) per share calculation of other companies listed on the JSE because such companies may report their financial results under a different financial reporting framework such as U.S. GAAP.

Headline earnings (loss) for the period represents profit (loss) for the period attributable to owners of the Company adjusted for the re-measurements that are more closely aligned to the operating or trading results as set forth below, and Headline earnings (loss) per share represents this figure divided by the weighted average number of ordinary shares outstanding for the period.

The table below presents a reconciliation between Profit (loss) for the period attributable to owners of the Company to Headline earnings (loss) for the three months ended September 30, 2021 and 2020 and the nine months ended September 30, 2021 and 2020.

(In thousands of U.S. dollars, other than per share data)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
<b>Profit (loss) for the period attributable to owners of the Company</b>	\$ 43,996	\$ (14,279)	\$ 66,125	\$ (24,774)
Adjusted for:				
- (Reversal of) impairment loss recognized on ships	-	6,065	(3,557)	9,727
- Impairment loss recognized on goodwill and intangibles	-	-	965	-
- Reversal of impairment loss recognized on right-of-use assets	-	-	(1,046)	-
- Impairment loss on net disposal group	-	-	2,551	576
- Loss on disposal of business	-	-	25	-
<b>Headline earnings (loss)</b>	<u>43,996</u>	<u>(8,214)</u>	<u>65,063</u>	<u>(14,471)</u>
Weighted average number of shares on which the per share figures have been calculated	19,242,116	19,006,858	19,216,386	18,952,834
Effect of dilutive potential ordinary shares	863,168	-	863,168	-
Weighted average number of ordinary shares for the purpose of diluted per share figures	<u>20,105,284</u>	<u>19,006,858</u>	<u>20,079,554</u>	<u>18,952,834</u>
Basic profit (loss) per share	\$ 2.29	\$ (0.75)	\$ 3.44	\$ (1.31)
Diluted profit (loss) per share	\$ 2.19	\$ (0.75)	\$ 3.29	\$ (1.31)
Basic headline earnings (loss) per share	\$ 2.29	\$ (0.43)	\$ 3.39	\$ (0.76)
Diluted headline earnings (loss) per share	\$ 2.19	\$ (0.43)	\$ 3.24	\$ (0.76)

**Interim Dividend - The relevant dates for the payment of dividend number 1 are as follows:**

Declaration date on NASDAQ	Wednesday, 17 November 2021
Declaration and Finalisation date announcement on SENS before 09:00	Thursday, 18 November 2021
Last day to trade cum-dividend (JSE)	Tuesday, 30 November 2021
Last day to trade cum-dividend (NASDAQ)	Wednesday, 1 December 2021
Shares commence trading ex-dividend (JSE)	Wednesday, 1 December 2021
Shares commence trading ex-dividend (NASDAQ)	Thursday, 2 December 2021
Record date (JSE and NASDAQ)	Friday, 3 December 2021
Payment date (JSE and NASDAQ)	Monday, 13 December 2021

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, 1 December 2021 and Friday, 3 December 2021, both dates inclusive.

**Additional information for South African resident shareholders of Grindrod Shipping Holdings Ltd.**

- Shareholders registered on the South African branch register are advised that the distribution of US\$0.72 per ordinary shares will be converted to Rands using the USD/Rand spot rate from Nedbank Limited, as determined on close of business on Wednesday, 17 November 2021, of 15.45. This will equate to a gross dividend of ZAR 11.12400 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 124,672 treasury shares.
- The dividend will be distributed by the Company, from distributable profit reserves and is regarded as a “foreign dividend” (as defined in the South African Income Tax Act No. 58 of 1962) for South African resident shareholders holding shares on the South African branch register.
- Singapore does not impose withholding tax on dividends.
- Dividends declared and paid by the Company to South African resident shareholders holding shares on the South African branch register are subject to South African dividend tax (“SA DWT”) of 20% (subject to any applicable exemptions that may apply). The net dividend to South African resident shareholder who are not exempt from SA Tax, equates to ZAR 8.89920 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 November 2021, being the earnings results of Grindrod Shipping Holdings Ltd. for the three months and nine months ended September 30, 2021.

This short-form announcement is the responsibility of the directors of Grindrod Shipping Holdings Ltd. This short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of, inter alia, the full announcement.

The full announcement has been released on SENS on 18 November 2021 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/2021/jse/isse/GSHE/GRIN3Q2021.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 18 November 2021.

## **Conference Call details**

On Thursday, November 18, 2021, at 8:00 a.m. Eastern Time/ 3:00 p.m. South African Time/ 9:00 p.m. Singapore Time, the Company's management will host a conference call and webcast to discuss the earnings results.

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

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

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

## **About Grindrod Shipping Holdings Ltd.**

Grindrod Shipping operates a fleet of owned and 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 Core Fleet of 31 vessels consisting of 15 handysize drybulk carriers and 16 supramax/ultramax drybulk carriers. The Company also owns one medium range product tanker on bareboat charter. The Company is based in Singapore, with offices in London, Durban, Tokyo, Cape Town and Rotterdam. Grindrod Shipping is listed on NASDAQ under the ticker “GRIN” and on the JSE under the ticker “GSH”.

## **Forward-Looking Statements**

The statements in this press release that are not historical facts may be forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The forward-looking statements in this press release are based upon various assumptions, including, without limitation, Grindrod Shipping management's examination of historical trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. These risks and uncertainties include, among others, those discussed in Grindrod Shipping's public filings with the SEC. Except as required by law, 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.

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By order of the Board  
18 November 2021

Sponsor: Grindrod Bank Limited