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Taylor Maritime Investments Limited
25 October 2024

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Taylor Maritime Investments Limited (the "Company" or "TMI")

Quarterly NAV Announcement, Trading Update and Publication of Factsheet

Grindrod Shipping Holdings Limited ("Grindrod") delisted following completion of acquisition
Debt reduced by 55.6 million during the period
Four asset sales agreed in firm S&P market for gross proceeds of 65.5 million
Interim dividend of 2 cents per share declared with 1.1x dividend cover

Taylor Maritime Investments Limited, the specialist dry bulk shipping investment company, today announces that, as at 30 September 2024, its unaudited NAV was1.48 per Ordinary Share compared to1.52 per Ordinary Share as at 30 June 2024. The Company is pleased to declare an interim dividend in respect of the period to 30 September 2024 of 2 cents per Ordinary Share. The NAV total return for the quarter was -1.7%.

The second quarterly factsheet of the current financial year is also now available on the Company's website, www.taylormaritimeinvestments.com.

Commenting on the trading update Edward Buttery, Chief Executive Officer, said:

"We're pleased to have completed the Grindrod acquisition. As a standalone investment, it has generated an overall profit of 49 million, a 15% return. Now that Grindrod has been delisted, we're simplifying our structure and reducing costs at the corporate level. We've continued to be highly active in the sale and purchase market, completing 4 vessel sales this quarter and agreeing the sale of 3 more at historically high values. As a result, we've reduced debt by 55.6 million and we expect to make a further 20 million in debt repayments when agreed sales complete this quarter, taking total debt repayments to 198 million since our initial investment in Grindrod in December 2022."

Key Highlights (to 30 September 2024)

Grindrod becomes wholly owned subsidiary of TMI

- On 16 August 2024, TMI successfully completed the acquisition of Grindrod following a Selective Capital Reduction ("SCR") after which it became a wholly owned subsidiary of the Company through its subsidiary Good Falkirk (MI) Limited
- The SCR was accretive to TMI NAV per share with a positive impact of 7 cents
- The Company's investment in Grindrod has generated an overall profit of 49 million, representing a 15% return
- Completed and in-process cost rationalization activities will reduce the consolidated Group's (the "Group") net overhead by c. 16 million on an annualized basis once fully implemented. This reflects initiatives post the December 2022 acquisition as well as significant corporate synergies enabled by the recent completion of the acquisition of Grindrod and its subsequent de-listing. The Group will continue to pursue further cost efficiencies whilst maintaining safe operation of its assets

Strong chartering performance

- The fleet generated average time charter equivalent ("TCE") earnings of 14,211 per day for the quarter (versus 13,264 per day for the quarter ended 30 June 2024)
- Charter market conditions were firm relative to the same time last year resulting in strong chartering performance for the period with earnings up c.37% year on year. Relative to benchmark indices [1], the combined Handysize fleet outperformed by 1,303 per day (c.11%) and the Supra/Ultramax fleet outperformed by 2,630 per day (c.18%)

Fleet development and market value

- Three previously announced vessel sales completed during the period at an average 0.5% discount to Fair Market

Value; a 2012 built 28k Handysize vessel for gross proceeds of 11.95 million, a 2009 built 32k dwt Handysize vessel for gross proceeds of 13.0 million, and a 2024 built 40k dwt Handysize vessel for gross proceeds of 35.35 million

- The Company agreed to sell four further vessels at an average 3.2% discount to Fair Market Value (the discount was due to a softening in asset values over the period which resulted in a 3.9% decrease for the fleet[2]): a 2020 built 38k dwt Handysize vessel for gross proceeds of 28.55 million (which completed during the quarter), a 2009 built 32k dwt Handysize vessel, a 2012 built 28k dwt Handysize vessel, and a 2008 built 33k dwt Handysize vessel for combined gross proceeds of 37.0 million

- During the period, an in-the-money purchase option was exercised at 23.2 million on a 2020 built 63k dwt Ultramax vessel. The vessel was subsequently sold for gross proceeds of 31.4 million and delivered into a JV arrangement, of which the Company owns 50%, and time chartered back into the fleet

- The Market Value of the fleet[3] decreased by approximately 3.9%, on a like-for-like basis, to 646.5 million. Despite softening slightly over the period, asset values remain near their highest levels since 2010, supporting the Company's strategy of disposals to protect against downside asset valuation risk. Elevated vessel prices are underpinned by expectations of firm trading conditions given a favourable supply outlook and historically high newbuild pricing

- The fleet comprised 34[4] Japanese-built vessels at quarter end. After agreed sales complete, the fleet will reduce to 31 vessels with an average age of 10.6 years and an average carrying capacity of c.42.8k dwt. This compares favourably to the pre-Grindrod acquisition fleet average age of 14.0 years and average carrying capacity of c.33.5k dwt

- Overall, there have been 26 vessel divestments, including 8 during this financial year, since the Grindrod acquisition in late 2022, averaging a 3.1% discount to Fair Market Value[5] which will have resulted in 198 million overall reduction in debt when agreed sales complete this quarter

Progress with debt reduction

- As a result of debt repayments, look-through debt-to-gross assets (including Grindrod-level debt) reduced to 35.1%[6] at 30 September 2024 (versus 35.4% at 30 June 2024) despite softer asset values. Outstanding debt was 282.7 million on a look-through basis[3] (versus 338.3 million at 30 June 2024)

- The Company's debt-to-gross assets (excluding Grindrod-level debt) improved to 18.1% at 30 September 2024 (versus 21.7% at 30 June 2024). The Company's outstanding debt was 108.95 million at the quarter end (versus 140.3 million at 30 June 2024)

- The Group continues to focus on strengthening its balance sheet consistent with a long-term commitment to be free of significant structural leverage, targeting medium-term look-through leverage of 25% of gross assets, and periodically assesses opportunities to refinance existing debt to lower overall cost of capital and improve cash breakeven levels

Board changes

- As previously announced, Ms. Rebecca Brosnan and Mr. Gordon French were appointed as non-executive Directors of the Company. Prior to their appointment, Ms. Brosnan and Mr. French were serving as Directors of Grindrod before their retirement from the Board on 30 September 2024

- Also as previously announced, Mr. Chris Buttery and Mr. Frank Dunne retired from the TMI Board with each having agreed not to stand for re-election by Shareholders at the 2024 AGM

Post-Period Trading Update (since 30 September 2024)

- Mrs. Trudi Clark, Non-Executive Director, was chosen as Mr. Dunne's successor and appointed as the Company's Senior Independent Director with effect from 24 October 2024
- The Company entered an agreement to exercise an in-the-money purchase option on a 2020 built 63k dwt Ultramax vessel. Delivery is expected to take place in December 2024
- The Company released its third annual Environmental, Social and Governance ("ESG") Report covering the financial year ended 31 March 2024. The Report highlights progress made on TMI's sustainability priorities including decarbonisation, social and community impact, and responsible business practices
- The number of covered fleet ship days remaining for the 2024 financial year stands at 31% at an average TCE rate of 13,876 per day with a portion of the fleet maintained on short charters to capitalise on an anticipated seasonal strengthening in rates towards the end of the current quarter

Dry bulk market review and outlook

The usual summer lull was offset by ongoing disruptions in the Panama Canal and in the Red Sea. Charter rates remained elevated and steady with the BSI TCA[7] and BHSI TCA[8] c.45% and c.50% higher, on average, when compared to the same period last year. Rerouting of vessels away from the Red Sea continued to impact positively, driving an estimated c.1.2% increase in dry bulk tonne-mile demand according to Clarksons, with Suez Canal bulk carrier transits c.40% lower when compared to the same period last year. Panama Canal transit disruptions also continued to tie up tonnage, providing support for rates, although transit volumes gradually increased through the period, and are now approaching pre-drought levels.

With the escalation of tensions in the Middle East, bulk carrier transits through the Suez Canal are expected to remain at lower levels, continuing to support tonne-mile demand and contributing to a firm outlook for calendar Q4 which typically sees seasonal commodity demand strength. Dry bulk trade volumes could be further bolstered by increased economic activity in China following the introduction of both monetary and fiscal stimulus measures. The US Federal Reserve's September interest rate cut decision has also provided grounds for optimism, although clear risks remain.

Newbuild prices and second-hand asset values remain well above historical levels, buoyed by favourable supply side dynamics. Supply growth forecasts remain modest, with the geared dry bulk fleet to grow by 4.3% and 4.2% in dwt terms in 2024 and 2025, respectively, which follows several years of limited ordering and newbuilding activity. Growth beyond those levels will be limited, with shipyards operating near capacity resulting in a heavily backdated orderbook. New orders from top tier shipyards are not available for delivery until end of 2027 and early 2028. Recent expansion of shipbuilding capacity is not expected to disrupt supply forecasts for geared dry bulk tonnage as shipyards continue to prioritise orders from other, higher margin, segments. Tightening environmental regulations will further impact effective supply through recycling of older, less efficient tonnage and speed reductions, while also enhancing the value of efficient and eco-friendly vessels.

ESG

The Company has released its third annual ESG report covering the financial year 1 April 2023 to 31 March 2024. The report can be viewed on TMI's website (www.taylormaritimeinvestments.com). The report highlights progress made on the Group's sustainability priorities including decarbonisation, social and community impact, and responsible business practices.

The Company's disclosure follows guidance from the Task Force on Climate-related Disclosure, the Global Reporting Initiative and the Sustainability Accounting Standards Board.

Measurable progress was made towards the Group's decarbonisation targets during the financial year; fleet carbon intensity as measured by AER ("Average Efficiency Ratio"), improved by 7% year on year , remaining on track with the IMO's decarbonisation trajectory.

The Company obtained independent assurance of both Grindrod and TMI's greenhouse gas emissions to ISO 14064-3 standards.

ENDS

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Notes to Editors

About the Company

Taylor Maritime Investments Limited is an internally managed investment company listed under the closed-ended investment funds category of the FCA's UK Listing Rules sourcebook (previously the Premium Segment of the Official List), with its shares trading on the Main Market of the London Stock Exchange since May 2021. The Company specializes in the acquisition and chartering of vessels in the Handysize and Supra/Ultramax bulk carrier segments of the global shipping sector. The Company invests in a diversified portfolio of vessels which are primarily second-hand and Japanese built.

The Company acquired a controlling stake in Grindrod Shipping Holdings Limited ("Grindrod") in December 2022 and, following a Selective Capital Reduction which took effect on 16 August 2024, Grindrod became a wholly owned subsidiary of the Company and was delisted from each of Nasdaq and the JSE. As a result, the Company, through its subsidiaries, currently has an owned fleet of 32 dry bulk vessels, including vessels held for sale, consisting of 24 Handysize vessels and eight Supra/Ultramax vessels. The Company also has six vessels in its chartered in fleet with purchase options on two. The ships are employed utilising a variety of employment/charter strategies.

The Company's target dividend policy is 8 cents p.a. paid on a quarterly basis, with a targeted total NAV return of 10-12%

per annum over the medium to long-term.

The Company has the benefit of an experienced Executive Team led by Edward Buttery and who previously worked closely together at Taylor Maritime. Taylor Maritime was established in 2014 as a privately owned ship-owning and management business with a seasoned team including the founders of dry bulk shipping company Pacific Basin Shipping (listed in Hong Kong 2343.HK) and gas shipping company BW Epic Kosan (formerly Epic Shipping). The commercial and technical management arms of Taylor Maritime were acquired by Grindrod in October 2023.

For more information, please visit www.taylormaritimeinvestments.com.

About Geared Vessels

Geared vessels are characterised by their own cargo loading and discharging equipment. The Handysize and Supra/Ultramax market segments are particularly attractive, given the flexibility, versatility and port accessibility of these vessels which carry necessity goods - principally food and products related to infrastructure building - ensuring broad diversification of fleet activity and stability of earnings through the cycle.

IMPORTANT NOTICE

The information in this announcement may include forward-looking statements, which are based on the current expectations and projections about future events and in certain cases can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "believe" (or the negatives thereon) or other variations thereon or comparable terminology. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company, including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur.

References to target dividend yields and returns are targets only and not profit forecasts and there can be no assurance that these will be achieved.

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[1] The Company uses adjusted Baltic Handysize Index 38k dwt and Baltic Supramax Index 58k dwt Time Charter Average (TCA) figures net of commissions and weighted according to average dwt of the Group's combined Handysize and Supra/Ultramax fleets, respectively

[2] Excluding one vessel under JV arrangement

[3] Excluding one vessel under JV arrangement

[4] Including two chartered-in vessels with purchase options, three vessels held for sale and one vessel under JV arrangement

[5] Includes completed and agreed sales but excludes two vessel sales within the Group

[6] Excluding lease liabilities

[7] Average of the 10 T/C Routes for BSI-58 dwt vessel (gross)

[8] Average of the 7 T/C Routes for BHSI-38 dwt vessel (gross)

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