

18 December 2024

Taylor Maritime Investments Limited

Unaudited Interim Results for the period 1 April 2024 to 30 September 2024

Grindrod becomes a wholly-owned subsidiary of TMI

Vessel sales completed at or close to NAV and contributing to further debt reduction

Firm market conditions contributing to strong chartering performance

Taylor Maritime Investments Limited (the "Company" or "TMI" and together with its subsidiary undertakings, the "Group" or "TMI Group"), the specialist dry bulk shipping investment company, announces its interim results for the six month period ended 30 September 2024.

The Interim Report of the current financial period is also now available on the Company's website, www.taylormaritimeinvestments.com, and on the National Storage Mechanism, <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Commenting on the interim results, Edward Buttery, Chief Executive Officer, said:

"A highly active interim period for the Group, with the realisation of one major strategic priority achieved, the completion of the acquisition of Grindrod, and strong progress made toward the other with vessel divestments allowing for significant reductions in Group debt. With the balance sheet suitably strengthened, the Board was pleased to announce our intention to declare a special dividend as a show of appreciation to shareholders. The hard work continues as we seek to transfer listing categories and embark on the next phase of the Company's journey while remaining true to our philosophy and core strategy."

Edward Buttery, Chief Executive Officer, added:

"Firm market conditions saw us deliver strong operating performance for the period and allowed us to opportunistically sell vessels at prices at, or close to NAV, as asset values reached their highest levels since 2010. At the same time, we were pleased to conclude our investment in Grindrod, giving way to a simpler corporate structure for the Group, through which a further set of synergies has been unlocked. I believe the Company is well-positioned to benefit from positive medium-term outlook for our segment and is more resilient in the face of short-term macro uncertainty."

Key Highlights (1 April 2024 to 30 September 2024)

- The Company's NAV was US 1.48 per Ordinary Share as at 30 September 2024 (31 March 2024 US 1.48)
- The Company's NAV return per Ordinary Share was 2.6% for the period ended 30 September 2024 (31 March 2024 - 9.0%) with a total share price return of 4.5% (31 March 2024 -16.1%)
- The Company declared dividends of 4.00 US cents per Ordinary Share in the six-month period ended 30 September 2024 (30 September 2023: 4.00 US cents). In addition, the Company declared an interim dividend on 24 October 2024 of 2.00 US cents per Ordinary Share in respect of the quarter ended 30 September 2024, which was paid on 29 November 2024

Grindrod becomes a 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 US cents
- The Company's investment in Grindrod had generated an overall profit of US 49 million by the end of the interim period, representing a 15% return
- Completed and in-process cost rationalization activities will reduce the consolidated net overhead by c.US 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 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

Vessel sales and fleet development

- The Group completed six vessel sales during the period for combined gross proceeds of US 123.7 million, representing an average discount to Fair Market Value of 1.5%. These comprised:
 - a 2008 built 33k dwt Handysize vessel for gross proceeds of US 12.3 million
 - a 2014-built 60k dwt Ultramax vessel for gross proceeds of US 22.4 million
 - a 2012 built 28k Handysize vessel for gross proceeds of US 11.95 million
 - a 2009 built 32k dwt Handysize vessel for gross proceeds of US 13.0 million
 - a 2024 built 40k dwt Handysize vessel for gross proceeds of US 35.4 million and
 - a 2020 built 38k dwt Handysize vessel for gross proceeds of US 28.6 million
- Three additional vessel sales were agreed during the period and have since completed; 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 US 37.0 million, representing an average discount to Fair Market Value of 3.3%
- Separately, during the period, an in-the-money purchase option was exercised for US 23.2 million on a 2020 built 63k dwt Ultramax vessel. The vessel was subsequently sold for gross proceeds of US 31.4 million and delivered into a JV arrangement, of which the Company owns 50%, and time chartered back into the fleet

Progress with debt reduction

- Look-through debt-to-gross assets (including Grindrod-level debt) reduced to 35.1%^[1] at 30 September 2024 (versus 35.8% at 31 March 2024) despite softer asset values. Outstanding debt was US 282.7 million on a look-through basis² (versus US 330.8 million at 31 March 2024)
- The Company remains focused on strengthening its balance sheet, and intends to repay debt from agreed and future vessel sales and operating earnings, targeting medium-term look-through leverage of 25-30% of gross assets

Chartering performance

- The fleet's time charter equivalent ("TCE") was US 13,731 per day for the six months ending 30 September 2024, compared to US 11,550 per day for equivalent period last year, with the Handysize fleet and the Supramax/Ultramax fleet outperforming their respective indices by US 478 per day (4%) and US 1,822 per day (12%), respectively

Board Developments

- 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
- 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

Post-Period Trading Update (since 30 September 2024)

- Post period, the Company published a circular proposing to transfer the Company's equity shares listing from the closed-ended investment funds category to the equity shares (commercial companies) category of the Official List. The Circular sets out, among other things, a notice of a general meeting to be held on 13 January 2025 at which special resolutions to approve the proposed transfer will be considered. The Proposed Transfer is, subject to shareholder approval, expected to become effective on 10 February 2025
- The Company also announced post period its intention to declare a special dividend of 4 cents per ordinary share in respect of the period to 31 December 2024, to be paid in the first quarter of calendar year 2025, in addition to the regular quarterly dividend of 2 cents per ordinary share
- The Company entered into a single senior secured 4-year revolving credit facility (the "RCF") maturing in December 2028 to replace the TMI Group's two main debt facilities. The new RCF bears a lower margin compared with both existing debt facilities that it replaces. The refinancing lowers TMI Group's cash breakeven by c.US 1,700 per ship per day due to there being no scheduled loan repayments for two years. The Company plans initially to draw down c.US 167.5 million of the RCF commitment and there is further liquidity available under the RCF if required, providing future financial flexibility.

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- The Company has agreed the sale of a 2011 built 33k dwt Handysize vessel for gross proceeds of US 13.9 million, representing a 0.5% discount to fair market value, which is expected to complete in the first quarter of calendar year 2025
- Overall, there have now been 27 vessel divestments since the Grindrod acquisition in late 2022, averaging a 3.0% discount to fair market value^[2] and resulting in a US 198 million reduction in debt
- 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 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
- At the time of writing, the fleet has coverage for 55% of the remaining days in the current financial year at a TCE of US 13,284 per day

Dry bulk market review and outlook

Firm demand for dry bulk commodities, particularly minor bulk and grain, combined with ongoing fleet inefficiencies from disruptions in the Red Sea and Panama Canal supported charter rates throughout the period, partially offsetting the usual summer lull. As a result, the BSI TCA^[3] and the BHSI TCA^[4] were c.42% and c.37% higher, on average, when compared to the same period last year.

The steady conditions in freight markets supported an active market for second hand vessels, underpinned by positive sentiment, where benchmark prices reached their highest levels since 2010 for a Handysize vessel^[5] and since 2008 for a Supra/Ultramax^[6] vessel midway through the period before softening slightly in September.

As global macroeconomic headwinds started showing signs of easing, central banks in major economies began to gradually reduce interest rates providing grounds for optimism for increased dry bulk demand. Meanwhile, fiscal and monetary stimulus measures introduced in China designed to address issues in the country's real estate sector and spur economic activity have the potential to bolster dry bulk trade volumes although the near-term impact remains uncertain and could be offset if protectionist trade policies are introduced by the incoming US administration. Whilst transits through the Panama Canal are approaching pre-drought levels, tensions in the Middle East remain elevated and disruptions in the Red Sea are expected to continue to encourage the diversion of significant amounts of tonnage to longer routes, amplifying tonne-mile demand.

The medium-term outlook remains positive underpinned by modest supply growth forecasts, by historical standards, following several years of limited ordering and newbuilding activity. With shipyards operating near capacity and a heavily backdated orderbook, a recent uptick in orders is unlikely to disrupt this trend over the medium term even with a recent expansion of shipbuilding capacity as shipyards continue to prioritise orders from other, higher margin, shipping sectors such as gas carriers, tankers and containers. Tightening environmental regulations will further impact effective supply through slow steaming and recycling of older, less efficient tonnage, particularly for the aged geared dry bulk fleet, while also enhancing the value of efficient and less carbon intensive vessels.

Click or paste the following link into your web browser to view the Interim Report: http://www.rns-pdf.londonstockexchange.com/rns/4863Q_1-2024-12-17.pdf

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The person responsible for arranging for the release of this announcement on behalf of the Company is Matt Falla of Sanne Fund Services (Guernsey) Limited

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. As announced previously, the Company is proposing to transfer the Company's equity shares listing from the closed-ended investment funds category to the equity shares (commercial companies) category of the Official List. 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 31 dry bulk vessels consisting of 21 Handysize vessels (including one vessel held for sale) and ten Supra/Ultramax vessels (including one vessel under a JV agreement and one long-term chartered in vessel with purchase option). The Company also has six vessels in its short-term chartered in fleet. 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.

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] Excluding lease liabilities

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

[3] Baltic Supramax Index Time Charter Average

[4] Baltic Handysize Index Time Charter Average

[5] Clarksons benchmark 37k dwt 10 year old Handysize vessel

[6] Clarksons benchmark 61k dwt 10 year old Supra/Ultramax vessel

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