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Taylor Maritime Investments Limited
24 January 2025

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

Quarterly NAV Announcement, Trading Update and Publication of Factsheet

Decrease in NAV driven mainly by softer asset values

Refinancing of the Group's debt under more favourable terms

TMI to transfer listing category after shareholders approved special resolutions

Interim dividend of 2 cents per share declared

Special dividend of 4 cents per share declared, following recent vessel sales at close to NAV

Taylor Maritime Investments Limited, the specialist dry bulk shipping investment company, today announces that its unaudited NAV as at 31 December 2024 was1.28 per Ordinary Share compared to1.48 per Ordinary Share as at 30 September 2024. The Company is pleased to declare aninterim dividend in respect of the period to 31 December 2024 of 6 cents per ordinary share, comprising an interim dividend of 2 cents per ordinary share and an additional special interim dividend of 4 cents per ordinary share.

The third 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've divested 28 ships over the last 24 months - 13 in the 2024 calendar year. These sales have all been achieved at or close to NAV. Given the progress with debt reduction so far, we believe it also makes sense to return some cash to shareholders, hence the special dividend. After the quarter end, shareholders approved the Company's transition from a closed-ended investment fund to a commercial company which will take effect on or around February 10. Our philosophy and core strategy remain the same; we will continue to deleverage through select asset disposals and to reduce costs. We want to ensure resilience through a potentially volatile 2025 given macro uncertainty, whilst maintaining our ability to benefit from the positive medium term outlook for our segment."

Key Highlights (to 31 December 2024)

Chartering outperformance during period of softening market conditions

- The fleet generated average time charter equivalent ("TCE") earnings of 12,150 per day for the quarter (versus 14,211 per day for the quarter ended 30 September 2024) with market rates declining through the period as Panama Canal transits increased toward pre-drought levels, releasing previously tied up tonnage, and typical seasonal commodity demand strength failing to materialise with uncertainty surrounding the incoming US administration's trade policies dampening sentiment
- Relative to benchmark indices[1], the combined Handysize fleet outperformed by 324 per day (c.3%) and the Supra/Ultramax fleet outperformed by 1,293 per day (c.11%)

Fleet development and market value

- Three previously announced vessel sales completed during the period: a 2009 built 32k dwt Handysize vessel, a 2008 built 33k dwt Handysize vessel, and a 2012 built 28k dwt Handysize, generating gross proceeds of 37.0 million. These were agreed during the peak summer period, and achieved an average 3.3% discount to Fair Market Value
- As previously announced, during the quarter the Company agreed the sale of a 2011 built 33k dwt Handysize vessel for gross proceeds of US 13.9 million, a 0.5% discount to fair market value, which is expected to complete in the first quarter of calendar year 2025
- The Company took delivery of a 2020 built 63k dwt Ultramax vessel in November after exercising an in-the-money purchase option earlier in the period
- The fleet comprised 31[2] Japanese-built vessels at quarter end and will reduce to 30 after the agreed vessel sale completes. The fleet's average age is 10.8 years with an average carrying capacity of c.43.2 dwt

- The Market Value of the fleet[3] decreased quarter-on-quarter by c.8.2% on a like-for-like basis, to 560.2 million. Secondhand asset prices softened from their highest levels since 2011 mid-period, broadly coinciding with the recent softening of freight markets where concerns over the incoming US administration's protectionist policies and their spillover effects on trade and growth, particularly with regard to China, dampened sentiment and countered previous expectations of seasonal commodity demand strength. Values of secondhand geared dry bulk vessels nonetheless remain above their long-term average underpinned by a favourable supply outlook, built up liquidity in the market following several profitable years for all shipping sectors and historically high newbuild prices which remain near their highest levels since 2009
- Overall, there have been 28 vessel divestments, including 13 during the 2024 calendar year, in the last two years, averaging a 3.4% discount to Fair Market Value[4] which will have resulted in 208 million overall debt reduction

Refinancing of debt into single senior Revolving Credit Facility and progress with debt reduction

- As previously announced, the Company refinanced the Group's two existing revolving credit facilities ("RCF") into a single senior secured 4-year RCF maturing in December 2028. The new RCF bears a lower margin compared with the existing debt facilities that it replaces
- There are no scheduled loan repayments for two years supporting cashflow and providing flexibility. The Company has drawn down c.US 167.5 million with further capacity available in future if required
- The Group's total outstanding debt reduced to 252.0 million at 31 December 2024 (versus 282.7 million at 30 September 2024) representing a debt-to-gross assets ratio of 35.4%[5] at 31 December 2024 (versus 35.1% at 30 September 2024) with softer asset values offsetting the overall reduction in debt. The debt-to-gross assets ratio remains well below the loan covenant requirement
- The Company remains focused on strengthening its balance sheet, and intends to continue to repay debt from agreed and future vessel sales and operating earnings, subject to working capital requirements, targeting future look-through leverage of 25-30% of gross assets

Proposed transfer of listing category, consequential changes to Company's articles and name change

- On 11 December 2024, the TMI Board released 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 "Proposed Transfer"). The Proposed Transfer reflects the evolution of TMI's business model which is now more closely aligned to that of a commercial shipping company. Following the 100% acquisition of Grindrod, the fleets are now operating under one commercial and trading strategy, offering a wider range of commercial activities, and with vessel management activities now being controlled "in-house"
- The Proposed Transfer was approved by shareholders at a General Meeting on 13 January 2025, along with consequential changes to TMI's Articles of Incorporation and a proposal to change the Company name to "Taylor Maritime Limited". The Proposed Transfer and aforementioned changes are expected to take effect on 10 February 2025 (the "Proposed Transfer Effective Date")

Special interim dividend announced

- On 11 December 2024, the Board announced its intention to declare a special dividend in respect of the period to 31 December 2024 of 4 cents per ordinary share in addition to the regular quarterly dividend of 2 cents per ordinary share. The interim dividend including the additional special interim dividend were declared post period and will be paid on 28 February 2025
- Following the payment of the special dividend and the regular quarterly dividend, TMI will have paid 14 consecutive quarterly dividends, including two special dividends since IPO, amounting to 113.8 million returned to shareholders, or c.34.5 cents per ordinary share

Post-Period Trading Update (since 31 December 2024)

- The number of covered fleet ship days remaining for the 2024 financial year stands at 60% at an average TCE rate of 12,451 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

Panama Canal transits normalised during the period, leading to further unwinding of congestion and releasing previously tied up tonnage which placed downward pressure on charter rates. Meanwhile, seasonal commodity strength typical of the period failed to materialise with Chinese stockpiles of key commodities already high and uncertainty concerning the incoming US administration's trade policy negatively impacting sentiment. The softening freight markets weighed on secondhand asset values for geared dry bulkers with prices easing from their highest levels since 2011, although they remain firmly above historical levels. Meanwhile, newbuild prices have stayed firm, near their highest levels since 2009.

Looking to 2025, overall dry bulk demand is expected to be modest compared to the strong levels seen in 2024, however, growth is expected to remain positive with Clarksons forecasting a 2.5% increase in minor bulk volumes while grain volumes are forecast to grow by 1.5%. In the short-term, tensions in the Middle East will likely remain high with continued diversion of tonnage, adding positively to tonne-mile demand. However, the Gaza ceasefire may lead to a gradual normalisation of Suez Canal transits releasing some supply back into the market. Indeed, Clear risks remain, given heightened levels of geopolitical and macroeconomic uncertainty, particularly concerning potentially protectionist US trade policy and its direct impact on trade between the world's major economies and indirect impact on dry bulk commodity demand.

The medium-term outlook remains favourable with net supply growth forecasts for the geared dry bulk segment of 4.3% in 2025 according to Clarksons, modest by historical standards, following several years of limited ordering and newbuilding activity. With shipyards operating near capacity and a heavily backdated orderbook, an 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.

Beyond physical fleet growth, tightening environmental regulations have had a clear impact on effective supply through slow steaming (2024 bulk carrier vessel speeds were 3% below the 2019-2023 average according to Clarksons). Increasingly stringent emissions regulations may also instigate an uptick in 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. This trend will continue with the enforcement of Fuel EU Maritime regulations in January 2025, raising freight costs in the region.

ESG

The Company has made the appropriate preparations for incoming Fuel EU regulations, including verified voyage-level Fuel EU statements and the insertion of Charter Party clauses where applicable.

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.

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 31 dry bulk vessels, including one vessel held for sale, consisting of 21 Handysize vessels and 10 Supra/Ultramax vessels (including one vessel under JV agreement). The Company also has six vessels in its 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] 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] Including one long-term chartered in vessel with a purchase option, one vessel held for sale and one vessel under JV arrangement

[3] Excluding one vessel under JV arrangement

[4] Includes completed and agreed sales, one vessel divested on a sale-and-leaseback transaction but excludes two vessel sales within the Group

[5] Excluding lease liabilities

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