

# Taylor Maritime Investments Limited

## Q3 Factsheet – 31 December 2022

Ticker

# TMI / TMIP

### The Company

Taylor Maritime Investments Limited ("TMI/Company") is an internally managed closed ended investment company with a diversified portfolio comprising 57 vessels (including vessels contracted to sell as well as owned and chartered-in vessels at Grindrod) in the geared dry bulk segment of the global shipping sector. TMI's strategy is to acquire vessels, primarily second-hand, at valuations below long-term average prices and depreciated replacement cost. The Company has a selective growth strategy focusing on

accretive opportunities to increase shareholder returns, such as its investment in Grindrod Shipping. The Company listed on the premium segment of the London Stock Exchange in May 2021 and its investment objective is to deliver strong cashflow, stable income growth and potential for capital growth. The Company is committed to paying quarterly dividends of 2 cents per ordinary share, with a targeted NAV return of 10-12% per annum.

### Core Strengths

- Management experience – successful track record, proven strategy and aligned interests with investors
- High quality fleet, with scale and global reach, shipping necessity goods with delivery of defensive earnings
- Attractive, sustainable yield thanks to a commitment to prudent leverage, financial discipline, balance of charter rates and durations, effective recycling of capital



### Key Highlights

- The Company's unaudited NAV<sup>1</sup> per ordinary share at the end of the quarter was \$1.67 compared to \$1.70 per ordinary share as at 30 September 2022
- On 20 December, TMI announced its increased 83.23% ownership of Grindrod after a successful tender offer. As part of the offer, TMI received a \$24.6 million special interim dividend (a yield of 28% on its initial investment). Grindrod is held as an investment at fair value through profit and loss, contributing \$352 million to TMI's NAV based on the Fair Market Value of its fleet
- At quarter end, the combined fleet numbered 57 vessels. Excluding 2 chartered-in vessels without purchase options, the group fleet's Market Value was \$1.0 billion. The Market Value of TMI's 26 vessels decreased by c.6% against the same portfolio of vessels from the previous quarter
- Two TMI vessels were agreed for sale and expected to complete within Q4 of the financial year generating net proceeds of c.\$24.4 million. One Grindrod vessel was also agreed for sale in line with the carrying value
- The average net time charter rate was c.\$15,830. Operating profit was c.\$29.5 million covering the interim dividend four times. At quarter end, the average net TC rate was c.\$15,800 per day, with average duration of six months and average annualized unlevered gross cash yields of c.22%<sup>2</sup> based on 31 December Fair Market Values and an attractive rate of c.\$17,200 secured for 62% of remaining fleet days for this financial year
- At quarter end, the RCF and Acquisition Facility were \$140 million and \$119 million drawn respectively representing a debt to gross assets ratio of 31.2%; TMI expects to reduce this to c.25% over the next two quarters through agreed and planned vessel sales in line with the commitment made in the Company's investment policy
- Taking into account debt at Grindrod of \$227 million at quarter end, TMI's 'look-through' debt to gross assets ratio was 41.8% which is expected to reduce to around 35% over the next two quarters
- The Company contracted an ammonia-ready, eco-design 40k dwt Handysize newbuild in Japan delivering in Q1 of calendar year 2024. This is part of a limited renewal strategy and is in conjunction with disposals of older vessels
- Following the announcement on 5 January, the recruitment process for a new Chairman is underway

### Fleet

Ship type	# of Vessels	Average Age	Deadweight Tonnage (DWT)	Portfolio Weighting (DWT)	Portfolio Weighting (FMV \$)
TMI Handysize	26	12 yrs	866,450	39%	39%
GRIN Hanydsize	15	10 yrs	497,400	23%	24%
GRIN Supra/Ultra	10	5 yrs	598,600	27%	26%
GRIN Chartered-in <sup>1</sup>	4	5 yrs	246,050	11%	11%
<b>Total</b>	<b>55</b>	<b>9 yrs</b>	<b>2,208,500</b>	<b>100%</b>	<b>100%</b>

### Overview at 31 December 2022

Market cap (at closing, 31 December 2022)

**\$367m / £297m**

Unaudited NAV (at closing, 31 December 2022)

**\$552m / £459m**

Unaudited NAV per share

**\$1.67 / 139.00p**

Target dividend per share

**8 cents p.a.**

Total NAV return target (set at IPO)

**10-12% net total return per annum**

Gearing

25% of gross assets limit save for use of acquisition financing where limit raised to 40% with commitment to reduce to 25% within 18 months

Current gearing:

- Debt to gross assets 31.2%
- Look-through debt to gross assets 41.8%

Latest share price (at closing, 26 January 2023)

**\$1.07 / 89.00p**

Share price (at closing, 31 December 2022)

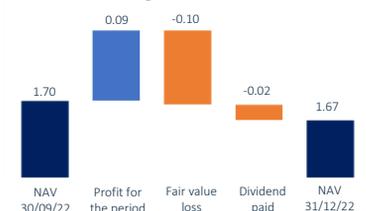
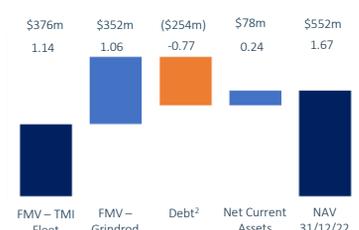
**\$1.11 / 90.00p**

Ordinary shares in issue

**330,215,878**

### NAV Bridge and Components (\$ per share)

Unaudited NAV Bridge


 Unaudited NAV Components<sup>1</sup>


<sup>1</sup>NAV components presented on a look-through basis to the Group SPVs  
<sup>2</sup>Net of loan financing fee

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### Investment Outlook

- Macroeconomic headwinds, a lacklustre Chinese economy and continued easing of port congestion kept the charter market subdued through to the typically softer holiday and Chinese New Year period
- Sentiment improved as China started to relax zero-Covid policies and signalled intention to stimulate the economy with measures targeting the property and construction sectors (drivers of dry bulk demand)
- Grain exports and tonne-miles expected to increase in 2023 generated in part by diverted trades from the Black Sea, while Brazil's soybean season is forecast at a record high by the International Grains Council
- Combined minor bulk and grain demand growth forecast at 1.4% in 2023 and 3.0% in 2024 against negative -0.5% and -2.0% Handysize fleet contractions - a 5.0% supply-demand spread
- A further potential positive for this dynamic is expected from new IMO regulations to reduce emissions, now coming into force, with gradually lowering operating speeds acting as a catalyst for recycling of older, less efficient tonnage
- Given the Handysize orderbook remains near historical lows and shipyards at capacity, the Company maintains a positive outlook to the end of 2024 and possibly beyond while supply tightens and demand growth remains positive

Clarksons Research

### Environmental, Social & Governance



- TMI has cooperated closely with its commercial and technical managers to ready its fleet for new industry decarbonisation regulations coming into force in 2023, designed to meet the IMO's 2030 GHG reduction targets
- During the period, a further two vessels were fitted with energy saving devices including boss-cap fins, high performance paints, pre-swirl ducts and fuel efficiency monitoring systems
- TMI recently contributed to various local initiatives in Guernsey, providing support to emergency services and organisations working to improve local welfare
- TMI aims to achieve a long-term target of running a zero-emission fleet by 2050 and is a signatory to the Getting to Zero Coalition's "Call to Action for Shipping Decarbonisation"

### Overview at 31 December 2022

ISIN  
GG00BP2NJT37

SEDOL  
BP2NJT3 (TMI) / BP2NJW6 (TMIP)

### Executive Team

Edward Buttery

Chief Executive Officer

Alexander Slee

Deputy Chief Executive Officer  
and Head of ESG

Camilla Pierrepont

Chief Strategy Officer and  
Head of Investor Relations

Yam Lay Tan

Chief Financial Officer

Len Hoskinson

Chief Operations Officer

### Board of Directors

Frank Dunne

Independent Interim Chair

Edward Buttery

Chief Executive Officer

Helen Tveitan

Independent Non-Executive Director

Trudi Clark

Independent Non-Executive Director

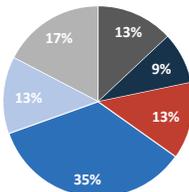
Sandra Platts

Independent Non-Executive Director

Christopher Buttery

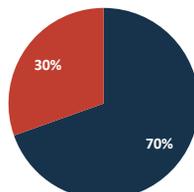
Non-Executive Director

### Net Time Charter Rates Per Day (\$)



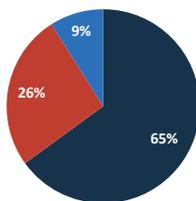
■ Less than 9k ■ 9 - 12k ■ 12 - 15k  
■ 15 - 18k ■ 18 - 21k ■ 21k or more

### Vessel Charterers



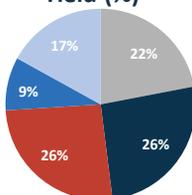
■ Charterers with 1 vessel ■ Charterers >2 vessels

### Average Charter Cover<sup>2</sup>



■ 0-6 months ■ 6-12 months  
■ 12-24 months ■ 24 months+

### Annualized Unlevered Gross Cash Yield (%)<sup>3</sup>



■ Less than 10% ■ 10% - 20% ■ 20% - 30%  
■ 30% - 40% ■ Over 40%

<sup>1</sup> References to NAV in the Factsheet are to the unaudited NAV as at 31 December 2022

<sup>2</sup> Includes onward fixtures

<sup>3</sup> Based on 31 December 2022 Fair Market Value; excludes two ships in dry dock and one vessel in Ukraine

### Company Information

<b>Registered Office</b>	Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR Channel Islands
<b>Listing</b>	Premium Segment, London Stock Exchange
<b>Dividend Frequency</b>	Quarterly (Oct, Jan, Apr, Jul)
<b>ISA Eligible</b>	Yes
<b>Contact</b>	ir@tminvestments.com
<b>Website</b>	www.taylormaritimeinvestments.com

### Company Information

<b>Secretary &amp; Administrator</b>	Sanne Fund Services Contact: Matthew Falla T: +44 (0)1481 737 600
<b>Corporate Broker</b>	Jefferies International Contact: Stuart Klein T: +44 (0)20 7029 8000
<b>Financial PR</b>	Montfort Communications Contact: Alison Alfrey E: tmi@montfort.london
<b>Registrar</b>	Computershare Contact: Sophie De Freitas T: +44 (0)1534 281 800

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You are recommended to seek financial advice or otherwise satisfy yourself of the suitability for you of an investment in TMI. Past performance cannot be relied on as a guide to future performance and, accordingly, there can be no assurance that the value of an investment in the Company will increase. The value of an investment and the income from it may go down as well as up and you may not be able to realise the full amount of your original investment on sale.

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This fact sheet contains certain forward looking statements with respect to the Company. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this fact sheet should be construed as a profit forecast.

The targeted annualized dividend yield and targeted total NAV return are targets only and not profit forecasts and there can be no assurance that either will be met or that any dividend or capital growth will be achieved.