

GRINDROD LIMITED  
**PROVISIONAL REVIEWED RESULTS AND DIVIDEND ANNOUNCEMENT**

for the year ended 31 December 2020



**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**OPERATIONAL HIGHLIGHTS**

- Grindrod's core businesses, Port, Terminals, Logistics and the Bank, delivered robust performance
- The Group's agility and strategy focusing on the corridor approach has enabled these businesses to report strong earnings
- Port demonstrated resilience and a commendable recovery in the second half with improvements in trucking activity and railway efficiencies into Mozambique
- Terminals results boosted by the weaker US dollar with the Matola terminal delivering improved tariffs and cost management
- The Seafreight and landside container business reported increased profitability due to increased shipping activities, buoyant citrus season and strong mineral volumes
- Grindrod's presence in Northern Mozambique as a key logistics corridor player in the liquefied natural gas (LNG) project has yielded positive results
- Northern Mozambique service offering expanded to operate seven vessels, transport, shore side equipment and stevedoring to provide effective supply chain solutions to the region
- Railco merger to secure commercial deployment completed
- Grindrod Bank delivered a profitable result in a challenging market

**FINANCIAL HIGHLIGHTS**

- Revenue from core operations (inclusive of joint ventures) of R4.7 billion (2019: R4.8 billion)
- R1.4 billion in trading profit (inclusive of joint ventures) from core operations
- Increased total earnings from core operations of R329.4 million (2019: R316.0 million)
- Net asset value per share of 1 075 cents
- Net debt to equity, (excluding Grindrod Bank and IFRS 16 lease liabilities) of 26%

**BUSINESS REVIEW**

Grindrod's core businesses performance was robust during the 12 months ended 31 December 2020 ("the period"). Port, Terminals and Logistics businesses recovered well in the second half of the financial year. The Group's agility and strategy focusing on the corridor approach have enabled these businesses to report good earnings.

**Port and Terminals**

Overall Ports and Terminals matched its 2019 earnings before interest, tax, depreciation and amortisation, despite the volume decline across the businesses mainly due to the weaker Rand.

Maputo Port achieved earnings growth of 18% on 2019 as it benefited from a weaker Rand against the US dollar, offsetting the impact of the 13% decline in volumes to 18.4 million tonnes. The port demonstrated resilience and a commendable recovery during the last quarter of the year with improvements in daily trucking activity into Mozambique and railway efficiencies. Work continues to ensure that this performance is sustained.

Matola Terminal's improved tariffs and cost management mitigated the decline in volume. The terminal achieved 5.5 million tonnes, with 10% higher volumes in the second half of the financial year compared to the first half.



**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**Logistics**

The coastal shipping, container depots and multi-purpose terminal businesses achieved earnings growth of 15% on 2019. This was on the back of increased shipping activities, buoyant citrus season and strong mineral volumes. The business continues to focus on expanding its footprint in line with customer demand.

Grindrod's presence in Northern Mozambique as a key logistics corridor player in the liquefied natural gas (LNG) project development has yielded positive results. The service offering has expanded to operate seven vessels, transport, shoreside equipment and stevedoring to provide effective supply chain solutions to the region. Development of the Intermodal facility at Palma is expected to be completed in the first half of 2021. Overall, the business reported 13% earnings growth for the period.

The clearing and forwarding business, delivered healthy earnings growth of 83% due to extensive work on both existing and new contracts. The ships agency business, turned its performance around, achieving positive earnings for the period from a loss position in 2019.

Rail Logistics' profitability declined due to force majeure calls on Mozambican and South African contracts during the period resulting from the temporary restrictions on mine operations and the transportation of non-essential cargo, reduced leasing rates and deployment. The Rail concession business focused on cost reduction and restructuring initiatives. The focus remains on securing deployment opportunities of the low-cost asset base.

The road transportation businesses were impacted by the decline in domestic fuel consumption and new vehicles sales. Major restructuring has been implemented across the business units.

**Bank**

Grindrod Bank delivered a profitable result in a challenging market. The Bank focused on its client relationships and quality lending during the period ensuring it retained a strong capital position and liquidity throughout the period. At year-end the advances have been appropriately assessed to ensure that adequate provisioning is in place. Advances at R8.0 billion were 8% up on 2019 whilst core deposits saw a decrease of 8% on 2019. Grindrod Bank remains profitable, well capitalised and liquid. Grindrod Bank continues to focus on platform banking solutions and SME strategies.

**Private equity and Property**

The private equity portfolio consists of private and property equity investments and loans provided to Kwa Zulu Natal ("KZN") North Coast property companies.

A single transaction to dispose of a significant part of the private equity and property portfolio and the loans to the KZN North Coast property companies had progressed to an advanced stage during the period. Regrettably the transaction fell through during December 2020. Assessment of the carrying value at year-end, in the absence of the transaction, is based on the underlying collateral and the Board's continued intention to dispose of the investments.

Results include impairments and fair value losses on the private and property equity portfolio of R329.9 million. The carrying value of these investments, after impairments and fair value losses is R1.5 billion. Further, on the KZN North Coast property loans, impairments, and fair value losses of R161.9 million were recognised. The carrying value of these loans after impairments and fair value losses is R1.0 billion. The portfolio remains subject to a disposal process. The disposal plan seeks to realise the value of individual investments rather than a disposal through a single transaction.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**Marine Fuels and Agricultural Logistics**

Whilst the sale of the Agricultural investments has been executed, pending the fulfillment of certain conditions, the sale process with regards to the Marine Fuels investment has been delayed and is no longer highly probable in the short term. As a result, the accounting standards require the business results to be reclassified into continuing operations resulting in a restatement of the prior period results.

The Marine Fuels business generated headline profits of US\$4.1 million. All goodwill, being US\$6.6 million, has been impaired at year-end resulting in a carrying value of US\$28.5 million. Marine Fuels does not form part of the long-term strategy of the Group and therefore management remains committed to an exit.

**Group and other**

Results included a mark-to-market loss of R82.3 million on Grindrod Shipping Limited shares due to a decline in the listed share price. The share price has lifted since the year-end.

**Balance sheet, cashflow and debt**

The Group generated positive cash from operations of R871.1 million (2019: R1 019.2 million). Net debt to equity excluding Grindrod Bank and IFRS 16 lease liabilities is 26% (2019: 16%) as at 31 December 2020.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED INCOME STATEMENT**

for the year ended 31 December 2020

|                                                                                | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000* |
|--------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| Revenue                                                                        | <b>3 751 156</b>                                   | 3 834 459                                 |
| Trading profit before expected credit loss and depreciation and amortisation** | <b>546 868</b>                                     | 1 096 927                                 |
| Expected credit loss***                                                        | <b>(213 283)</b>                                   | (560 486)                                 |
| Depreciation and amortisation                                                  | <b>(526 299)</b>                                   | (501 468)                                 |
| Operating (loss) / profit (before interest and taxation)                       | <b>(192 714)</b>                                   | 34 973                                    |
| Non-trading items                                                              | <b>(194 479)</b>                                   | (335 353)                                 |
| Interest received                                                              | <b>116 488</b>                                     | 157 343                                   |
| Interest paid                                                                  | <b>(326 292)</b>                                   | (299 201)                                 |
| Loss before share of joint venture and associate companies' profit             | <b>(596 997)</b>                                   | (442 238)                                 |
| Share of joint venture companies' profit / (losses) after taxation             | <b>285 303</b>                                     | (141 221)                                 |
| Share of associate companies' profit after taxation                            | <b>20 439</b>                                      | 24 180                                    |
| Loss before taxation                                                           | <b>(291 255)</b>                                   | (559 279)                                 |
| Taxation                                                                       | <b>(119 828)</b>                                   | 9 114                                     |
| Loss for the year                                                              | <b>(411 083)</b>                                   | (550 165)                                 |
| Attributable to:                                                               |                                                    |                                           |
| Ordinary shareholders                                                          | <b>(415 219)</b>                                   | (615 648)                                 |
| Preference shareholders                                                        | <b>51 244</b>                                      | 66 044                                    |
| Owners of the parent                                                           | <b>(363 975)</b>                                   | (549 604)                                 |
| Non-controlling interests                                                      | <b>(47 108)</b>                                    | (561)                                     |
|                                                                                | <b>(411 083)</b>                                   | (550 165)                                 |
| Basic loss per share*:                                                         | (cents)                                            | (61.4) (90.5)                             |
| Diluted loss per share*                                                        | (cents)                                            | (61.4) (90.5)                             |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

\*\* Current period trading profit includes R405.4 million fair value losses (2019: R224.7 million fair value gains) relating to the private equity and property and Grindrod Shipping shares

\*\*\* Current period expected credit losses include R86.8 million (2019: nil) relating to the private equity and property. Prior year includes R492.1 million for Marine Fuels

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**HEADLINE EARNING RECONCILIATION**

for the year ended 31 December 2020

|                                                                                             | Reviewed<br>31 December<br>2020<br>R'000 | Reviewed<br>31 December<br>2019<br>R'000* |         |
|---------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|---------|
| <b>Reconciliation of headline loss</b>                                                      |                                          |                                           |         |
| Loss attributable to ordinary shareholders                                                  | <b>(415 219)</b>                         | (615 648)                                 |         |
| Adjusted for:                                                                               | <b>247 101</b>                           | 462 952                                   |         |
| Impairment of intangibles, property, terminals, machinery, vehicles and equipment           | <b>7 751</b>                             | 37 606                                    |         |
| Impairment of investments in joint ventures**                                               | <b>99 439</b>                            | -                                         |         |
| Loss on re-measurement to fair value less costs to sell                                     | <b>65 024</b>                            | 238 000                                   |         |
| Impairment of goodwill**                                                                    | <b>82 010</b>                            | -                                         |         |
| Net loss on disposal of investments                                                         | <b>9 835</b>                             | 39 759                                    |         |
| Net profit on disposal of plant, terminals, machinery, vehicles and equipment               | <b>(51 330)</b>                          | (2 276)                                   |         |
| Gain on bargain purchase                                                                    | <b>(10 462)</b>                          | -                                         |         |
| Foreign currency translation reserve release                                                | <b>(7 804)</b>                           | (1 281)                                   |         |
| Joint ventures and associates:                                                              |                                          |                                           |         |
| Net profit on disposal of investments                                                       | <b>-</b>                                 | (453)                                     |         |
| Net gain on disposal of intangibles, property, terminals, machinery, vehicles and equipment | <b>(2 062)</b>                           | (3 323)                                   |         |
| Impairment of intangibles, property, terminals, machinery, vehicles and equipment           | <b>42 056</b>                            | 7 587                                     |         |
| Impairment of investments                                                                   | <b>-</b>                                 | 156 092                                   |         |
| Foreign currency translation reserve release                                                | <b>-</b>                                 | 455                                       |         |
| Total taxation effects of adjustments                                                       | <b>12 644</b>                            | (9 214)                                   |         |
| <b>Headline loss</b>                                                                        | <b>(168 118)</b>                         | (152 696)                                 |         |
| <b>Ordinary share performance</b>                                                           |                                          |                                           |         |
| Number of shares in issue less treasury shares^                                             | (000s)                                   | <b>671 526</b>                            | 680 284 |
| Weighted average number of shares (basic)                                                   | (000s)                                   | <b>676 640</b>                            | 680 442 |
| Diluted weighted average number of shares                                                   | (000s)                                   | <b>676 640</b>                            | 681 304 |
| Basic headline loss per share:                                                              | (cents)                                  | <b>(24.8)</b>                             | (22.5)  |
| Diluted headline loss per share                                                             | (cents)                                  | <b>(24.8)</b>                             | (22.5)  |
| Dividends per share - interim                                                               | (cents)                                  | -                                         | 5.0     |
| Dividends per share - final                                                                 | (cents)                                  | -                                         | 14.2    |
| Dividend cover (headline)                                                                   | (times)                                  | -                                         | 4.0     |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation

\*\* The investment in joint venture and goodwill was impaired based on recoverable amount which was assessed using value-in-use.

^ In the current year, 9.2 million shares were bought back as treasury shares and 64.0 million (previously held as treasury shares as part of the consolidation of the B-BBEE consortium) were bought back and cancelled following the B-BBEE repurchase

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

for the year ended 31 December 2020

|                                                                           | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000* |
|---------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| <b>Loss for the year</b>                                                  | <b>(411 083)</b>                                   | (550 165)                                 |
| <b>Other comprehensive (loss) / income:</b>                               |                                                    |                                           |
| <b>Items that may be reclassified subsequently to profit or loss</b>      |                                                    |                                           |
| Exchange differences on translating foreign operations                    | <b>151 413</b>                                     | (75 109)                                  |
| <b>Items that will not be subsequently reclassified to profit or loss</b> |                                                    |                                           |
| Actuarial losses**                                                        | <b>(25 896)</b>                                    | (10 327)                                  |
| Fair value gain arising on financial instruments instruments**            | <b>4 407</b>                                       | 4 773                                     |
| <b>Total comprehensive loss for the year</b>                              | <b>(281 159)</b>                                   | (630 828)                                 |
| Total comprehensive loss attributable to:                                 |                                                    |                                           |
| Owners of the parent                                                      | <b>(238 553)</b>                                   | (628 920)                                 |
| Non-controlling interests                                                 | <b>(42 606)</b>                                    | (1 908)                                   |
|                                                                           | <b>(281 159)</b>                                   | (630 828)                                 |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

\*\* Net of taxation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

for the year ended 31 December 2020

|                                                           | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000* |
|-----------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| Property, terminals, machinery, vehicles, equipment       | <b>1 951 368</b>                                   | 1 858 744                                 |
| Right of use assets                                       | <b>844 644</b>                                     | 1 103 398                                 |
| Goodwill and intangible assets                            | <b>677 057</b>                                     | 772 861                                   |
| Investments in joint ventures                             | <b>2 771 627</b>                                   | 2 700 626                                 |
| Investments in associates                                 | <b>113 987</b>                                     | 92 917                                    |
| Investment property                                       | <b>91 617</b>                                      | 91 617                                    |
| Other investments                                         | <b>1 989 910</b>                                   | 2 302 077                                 |
| Preference share investments by trusts                    | -                                                  | 644 900                                   |
| Deferred taxation                                         | <b>151 561</b>                                     | 98 910                                    |
| Long-term negotiable securities                           | <b>185 232</b>                                     | -                                         |
| Loans and advances                                        | <b>4 804 042</b>                                   | 4 263 948                                 |
| <b>Total non-current assets</b>                           | <b>13 581 045</b>                                  | 13 929 998                                |
| Liquid assets and short-term negotiable securities        | <b>2 284 018</b>                                   | 2 478 941                                 |
| Current portion of loans and advances                     | <b>4 129 176</b>                                   | 4 166 910                                 |
| Current portion of preference share investments by trusts | -                                                  | 482 544                                   |
| Inventories                                               | <b>93 092</b>                                      | 122 900                                   |
| Trade and other receivables                               | <b>1 273 663</b>                                   | 1 357 057                                 |
| Taxation                                                  | <b>29 771</b>                                      | 23 764                                    |
| Bank balances and cash                                    | <b>1 846 811</b>                                   | 4 729 850                                 |
| <b>Total current assets</b>                               | <b>9 656 531</b>                                   | 13 361 966                                |
| Non-current assets held for sale                          | <b>367 034</b>                                     | 432 063                                   |
| <b>Total assets</b>                                       | <b>23 604 610</b>                                  | 27 724 027                                |

\* Restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

for the year ended 31 December 2020

|                                                                                | Reviewed<br>31 December<br>2020<br>R'000 | Reviewed<br>31 December<br>2019<br>R'000* |
|--------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|
| Share capital and premium                                                      | 3 950 427                                | 3 982 066                                 |
| Non-distributable reserves                                                     | 1 535 732                                | 1 468 632                                 |
| Accumulated profit                                                             | 2 622 984                                | 3 156 208                                 |
| Equity attributable to owners of the Company                                   | 8 109 143                                | 8 606 906                                 |
| Non-controlling interests                                                      | (150 134)                                | (71 653)                                  |
| <b>Total equity</b>                                                            | <b>7 959 009</b>                         | <b>8 535 253</b>                          |
| Long-term borrowings                                                           | 341 490                                  | 268 230                                   |
| Lease liabilities                                                              | 703 071                                  | 924 878                                   |
| Long-term Bank and private equity funding                                      | 386 764                                  | 1 117 838                                 |
| Derivative financial liabilities                                               | 73 046                                   | 23 422                                    |
| Participatory contribution for preference share investments                    | -                                        | 77 544                                    |
| Deferred taxation                                                              | 63 397                                   | 136 296                                   |
| Provision for post-retirement medical aid                                      | 21 039                                   | 22 724                                    |
| Deposits from Bank customers                                                   | 234 276                                  | 352 757                                   |
| Provisions                                                                     | 14 143                                   | 10 082                                    |
| <b>Total non-current liabilities</b>                                           | <b>1 837 226</b>                         | <b>2 933 771</b>                          |
| Trade and other payables                                                       | 1 440 209                                | 1 513 435                                 |
| Current portion of long-term borrowings                                        | 103 901                                  | 177 476                                   |
| Current portion of lease liabilities                                           | 264 792                                  | 280 869                                   |
| Current portion of Bank and private equity funding                             | 1 345 601                                | 535 009                                   |
| Current portion of deposits from Bank customers                                | 9 199 405                                | 10 827 608                                |
| Current portion of participatory contribution for preference share investments | -                                        | 1 646 732                                 |
| Short-term borrowings and bank overdraft                                       | 1 352 764                                | 1 223 973                                 |
| Taxation payable                                                               | 101 703                                  | 49 901                                    |
| <b>Total current liabilities</b>                                               | <b>13 808 375</b>                        | <b>16 255 003</b>                         |
| <b>Total equity and liabilities</b>                                            | <b>23 604 610</b>                        | <b>27 724 027</b>                         |

\* Restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ended 31 December 2020

|                                                                                                | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000* |
|------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| Operating (loss)/profit                                                                        | <b>(192 714)</b>                                   | 34 973                                    |
| Non-cash adjustments                                                                           | <b>1 100 144</b>                                   | 883 830                                   |
| Operating profit before working capital changes                                                | <b>907 430</b>                                     | 918 803                                   |
| Working capital changes                                                                        | <b>(36 371)</b>                                    | 100 359                                   |
| Cash generated from operations                                                                 | <b>871 059</b>                                     | 1 019 162                                 |
| Net interest paid                                                                              | <b>(223 348)</b>                                   | (172 215)                                 |
| Net dividends received / (paid)                                                                | <b>217 790</b>                                     | (134 385)                                 |
| Taxation paid                                                                                  | <b>(196 503)</b>                                   | (122 862)                                 |
|                                                                                                | <b>668 998</b>                                     | 589 700                                   |
| <b>Other operating cash flows from Bank</b>                                                    |                                                    |                                           |
| Net advances to customers and other short-term negotiable securities                           | <b>(2 443 688)</b>                                 | (252 414)                                 |
| <b>Net cash flows from operating activities</b>                                                | <b>(1 774 690)</b>                                 | 337 286                                   |
| Net movement in acquisition of property, terminals, machinery, vehicles and equipment acquired | <b>(145 916)</b>                                   | (139 459)                                 |
| Net movement on acquisition of investments                                                     | <b>(47 030)</b>                                    | (43 742)                                  |
| Net movement on disposal of non-current assets held for sale                                   | -                                                  | 305 331                                   |
| Funds advanced to joint ventures and associate companies                                       | <b>(83 129)</b>                                    | (29 961)                                  |
| <b>Net cash flows from investing activities</b>                                                | <b>(276 075)</b>                                   | 92 169                                    |
| Acquisition of treasury shares                                                                 | <b>(45 442)</b>                                    | (2 737)                                   |
| Acquisition of non-controlling interest                                                        | <b>(74 161)</b>                                    | -                                         |
| Net movement in long-term funding                                                              | <b>(712 799)</b>                                   | (296 061)                                 |
| <b>Net cash flows from financing activities</b>                                                | <b>(832 402)</b>                                   | (298 798)                                 |
| Net (decrease) / increase in cash and cash equivalents                                         | <b>(2 883 167)</b>                                 | 130 657                                   |
| Cash and cash equivalents at the beginning of the year                                         | <b>3 758 759</b>                                   | 3 639 237                                 |
| Difference arising on translation                                                              | <b>68 363</b>                                      | (11 135)                                  |
| <b>Cash and cash equivalents at the end of the year</b>                                        | <b>943 955</b>                                     | 3 758 759                                 |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2020

|                                                                        | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | <b>Reviewed<br/>31 December<br/>2019<br/>R'000*</b> |
|------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------|
| <b>Ordinary and preference share capital and share premium</b>         | <b>3 950 427</b>                                   | 3 982 066                                           |
| Balance at the beginning of the year                                   | <b>3 982 066</b>                                   | 3 977 456                                           |
| Share options vested                                                   | <b>13 803</b>                                      | 7 347                                               |
| Treasury shares acquired                                               | <b>(45 442)</b>                                    | (2 737)                                             |
| <b>Equity compensation reserve</b>                                     | <b>47 857</b>                                      | 56 471                                              |
| Balance at beginning of the year                                       | <b>56 471</b>                                      | 54 991                                              |
| Share-based payments                                                   | <b>5 189</b>                                       | 8 827                                               |
| Share options vested                                                   | <b>(13 803)</b>                                    | (7 347)                                             |
| <b>Foreign currency translation reserve</b>                            | <b>1 598 738</b>                                   | 1 455 229                                           |
| Balance at the beginning of the year                                   | <b>1 455 229</b>                                   | 1 529 560                                           |
| Foreign currency translation realised                                  | <b>(7 804)</b>                                     | 1 281                                               |
| Foreign currency translation adjustments                               | <b>151 313</b>                                     | (75 612)                                            |
| <b>Other non-distributable statutory reserves</b>                      | <b>(110 863)</b>                                   | (43 068)                                            |
| Balance at the beginning of the year                                   | <b>(43 068)</b>                                    | (43 637)                                            |
| Foreign currency translation adjustments                               | <b>3 402</b>                                       | 569                                                 |
| Net business combination acquisition                                   | <b>(71 197)</b>                                    | (22 265)                                            |
| Business combination disposal                                          | <b>-</b>                                           | 22 265                                              |
| <b>Accumulated profit</b>                                              | <b>2 622 984</b>                                   | 3 156 208                                           |
| Balance at the beginning of the year                                   | <b>3 156 208</b>                                   | 3 912 258                                           |
| Other comprehensive income from financial instruments                  | <b>4 407</b>                                       | 4 773                                               |
| Actuarial losses recognised                                            | <b>(25 896)</b>                                    | (10 327)                                            |
| Loss for the period                                                    | <b>(363 975)</b>                                   | (549 604)                                           |
| Ordinary dividends paid                                                | <b>(96 516)</b>                                    | (134 848)                                           |
| Preference dividends paid                                              | <b>(51 244)</b>                                    | (66 044)                                            |
| <b>Total interest of shareholders of the Company</b>                   | <b>8 109 143</b>                                   | 8 606 906                                           |
| <b>Equity attributable to non-controlling interests of the Company</b> | <b>(150 134)</b>                                   | (71 653)                                            |
| Balance at the beginning of the year                                   | <b>(71 653)</b>                                    | 52 280                                              |
| Foreign currency translation adjustments                               | <b>4 502</b>                                       | (1 347)                                             |
| Non-controlling interest acquired                                      | <b>(33 675)</b>                                    | (117 207)                                           |
| Loss for the period                                                    | <b>(47 108)</b>                                    | (561)                                               |
| Ordinary dividends paid                                                | <b>(2 200)</b>                                     | (4 818)                                             |
| <b>Total equity attributable to all shareholders of the Company</b>    | <b>7 959 009</b>                                   | 8 535 253                                           |

\* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**SEGMENTAL INFORMATION**

for the year ended 31 December 2020

|                                                               | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019*<br>R'000 |
|---------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| <b>Revenue</b>                                                |                                                    |                                           |
| Port and Terminals                                            | <b>1 081 990</b>                                   | 1 151 844                                 |
| Logistics                                                     | <b>3 232 044</b>                                   | 3 272 575                                 |
| Bank                                                          | <b>378 236</b>                                     | 350 326                                   |
| Group                                                         | <b>57 351</b>                                      | 41 590                                    |
| Total core operations                                         | <b>4 749 621</b>                                   | 4 816 335                                 |
| Marine Fuels and Agricultural Logistics                       | <b>11 504 669</b>                                  | 16 041 200                                |
| Private equity and property                                   | <b>116 043</b>                                     | 77 487                                    |
| Total                                                         | <b>16 370 333</b>                                  | 20 935 022                                |
| Segmental adjustments**                                       | <b>(12 619 177)</b>                                | (17 100 563)                              |
|                                                               | <b>3 751 156</b>                                   | 3 834 459                                 |
| <b>Trading profit (after expected credit loss)</b>            |                                                    |                                           |
| Port and Terminals                                            | <b>460 611</b>                                     | 458 316                                   |
| Logistics                                                     | <b>906 723</b>                                     | 854 716                                   |
| Bank                                                          | <b>38 376</b>                                      | 94 164                                    |
| Group                                                         | <b>(50 010)</b>                                    | (959)                                     |
| Total core operations                                         | <b>1 355 700</b>                                   | 1 406 237                                 |
| Marine Fuels and Agricultural Logistics                       | <b>103 725</b>                                     | (627 852)                                 |
| Private equity and property                                   | <b>(489 361)</b>                                   | 56 710                                    |
| Total                                                         | <b>970 064</b>                                     | 835 095                                   |
| Segmental adjustments**                                       | <b>(636 479)</b>                                   | (298 654)                                 |
|                                                               | <b>333 585</b>                                     | 536 441                                   |
| <b>Operating profit / (loss) before interest and taxation</b> |                                                    |                                           |
| Port and Terminals                                            | <b>335 467</b>                                     | 329 318                                   |
| Logistics                                                     | <b>330 577</b>                                     | 345 484                                   |
| Bank                                                          | <b>22 770</b>                                      | 80 106                                    |
| Group                                                         | <b>(52 169)</b>                                    | (27 428)                                  |
| Total core operations                                         | <b>636 645</b>                                     | 727 480                                   |
| Marine Fuels and Agricultural Logistics                       | <b>98 785</b>                                      | (633 663)                                 |
| Private equity and property                                   | <b>(498 214)</b>                                   | 55 496                                    |
| Total                                                         | <b>237 216</b>                                     | 149 313                                   |
| Segmental adjustments**                                       | <b>(429 930)</b>                                   | (114 340)                                 |
|                                                               | <b>(192 714)</b>                                   | 34 973                                    |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

\*\* For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**SEGMENTAL INFORMATION (CONTINUED)**

for the year ended 31 December 2020

|                                                                     | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019*<br>R'000 |
|---------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| <b>Share of associate companies' profit / (loss) after taxation</b> |                                                    |                                           |
| Port and Terminals                                                  | <b>88 839</b>                                      | 71 535                                    |
| Logistics                                                           | <b>303</b>                                         | (186)                                     |
| Total core operations                                               | <b>89 142</b>                                      | 71 349                                    |
| Marine Fuels and Agricultural Logistics                             | <b>-</b>                                           | 14 465                                    |
| Total                                                               | <b>89 142</b>                                      | 85 814                                    |
| Segmental adjustments**                                             | <b>(68 703)</b>                                    | (61 634)                                  |
|                                                                     | <b>20 439</b>                                      | 24 180                                    |
| <b>Profit / (loss) attributable to ordinary shareholders</b>        |                                                    |                                           |
| Port and Terminals                                                  | <b>226 084</b>                                     | 175 235                                   |
| Logistics                                                           | <b>137 158</b>                                     | 133 694                                   |
| Bank                                                                | <b>37 567</b>                                      | 83 407                                    |
| Group                                                               | <b>(71 375)</b>                                    | (76 255)                                  |
| Total core operations                                               | <b>329 434</b>                                     | 316 081                                   |
| Marine Fuels and Agricultural Logistics                             | <b>(69 516)</b>                                    | (915 525)                                 |
| Private equity and property                                         | <b>(675 137)</b>                                   | (16 204)                                  |
|                                                                     | <b>(415 219)</b>                                   | (615 648)                                 |
| <b>Geographical revenue</b>                                         |                                                    |                                           |
| North America / Bermuda                                             | <b>34 100</b>                                      | 36 439                                    |
| South America                                                       | <b>117 456</b>                                     | 365 578                                   |
| Middle East                                                         | <b>3 910 600</b>                                   | 5 358 606                                 |
| United Kingdom / Europe / Isle of Man                               | <b>410 906</b>                                     | 1 371 997                                 |
| Singapore / Asia / Far East / Australia                             | <b>7 097 388</b>                                   | 8 749 274                                 |
| Rest of Africa                                                      | <b>1 608 734</b>                                   | 1 762 353                                 |
| South Africa                                                        | <b>3 191 149</b>                                   | 3 290 775                                 |
|                                                                     | <b>16 370 333</b>                                  | 20 935 022                                |

\* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

\*\* For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**NOTES TO FINANCIAL STATEMENTS****1. FOREIGN CURRENCY DENOMINATED ITEMS****for the year ended 31 December 2020**

The statement of financial position is translated at the closing rate of exchange indicated below and the income statement is translated at the average exchange rate.

**Exchange rates (ZAR / US\$)**

|                       | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000 |
|-----------------------|----------------------------------------------------|------------------------------------------|
| Opening exchange rate | <b>14.00</b>                                       | 14.39                                    |
| Closing exchange rate | <b>14.62</b>                                       | 14.00                                    |
| Average exchange rate | <b>16.56</b>                                       | 14.46                                    |

**2. REVENUE****for the year ended 31 December 2020**

| <b>Revenue category</b>         | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000 |
|---------------------------------|----------------------------------------------------|------------------------------------------|
| Bulk terminals                  | <b>354 199</b>                                     | 500 357                                  |
| Container handling              | <b>1 385 972</b>                                   | 1 376 078                                |
| - Recognised at a point in time | <b>885 962</b>                                     | 912 234                                  |
| - Recognised over time          | <b>500 010</b>                                     | 463 844                                  |
| Logistics                       | <b>844 746</b>                                     | 972 365                                  |
| Net interest income of Bank     | <b>91 941</b>                                      | 121 730                                  |
| Fee income of Bank              | <b>286 861</b>                                     | 228 596                                  |
| Ships agency income             | <b>449 021</b>                                     | 381 973                                  |
| Other services                  | <b>338 416</b>                                     | 253 360                                  |
|                                 | <b>3 751 156</b>                                   | 3 834 459                                |

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**3. PARTICIPATORY CONTRIBUTIONS FOR PREFERENCE SHARE INVESTMENTS**

for the year ended 31 December 2020

|                             | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000 |
|-----------------------------|----------------------------------------------------|------------------------------------------|
| Preference share assets     | -                                                  | 1 127 444                                |
| Participatory contributions | -                                                  | (1 724 276)                              |

During the current year, Grindrod Bank has given up the ability to appoint trustees in GIT and no longer has a residual interest in the trust. Further, an independent third party has been appointed manager of the trust. Consequently, these actions have resulted in a loss of control over GIT and the trust is no longer consolidated in terms of IFRS 10: Consolidated Annual Financial Statements, with effect from 1 September 2020.

**4. FINANCIAL INSTRUMENTS DISCLOSURE**

for the year ended 31 December 2020

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable or based on observable inputs:

**Level 1** Unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Levels 2 and 3 fair values were determined by applying either a combination of, or one of the following, valuation techniques:

- Projected unit method; and / or
  - Market value; and / or
  - The net asset value of the underlying investments; and / or
  - A price earnings multiple or a discounted projected income / present value approach; and / or
  - Market-related interest rate yield curves to discount expected future cash flows; and / or
  - Any additional revenue arrangements valued per the specified arrangement based on the specified underlying asset.
- The specified underlying assets include property and unlisted investments supported by management valuation.

The fair value measurement based on income approach valuation uses key inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassesses the earnings or yield multiples at least annually based on its assessment of the macro- and microeconomic environments.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

| R'000                                                   | Carrying value | 2020    |                        |           |                | Other non-financial instruments |
|---------------------------------------------------------|----------------|---------|------------------------|-----------|----------------|---------------------------------|
|                                                         |                | Level 1 | Fair value instruments |           | Amortised cost |                                 |
|                                                         |                |         | Level 2                | Level 3   |                |                                 |
| Financial instruments                                   |                |         |                        |           |                |                                 |
| Cash and cash equivalents                               | 1 846 811      | -       | -                      | -         | 1 846 811      | -                               |
| Other investments                                       | 1 989 910      | 96 187  | 68 768                 | 1 504 997 | 319 958        | -                               |
| Loans and advances                                      | 8 933 218      | -       | 952 353                | 2 640 843 | 5 340 022      | -                               |
| Trade and other receivables                             | 1 273 663      | -       | -                      | -         | 1 152 076      | 121 587                         |
| Borrowings                                              | (4 498 382)    | -       | -                      | -         | (4 498 382)    | -                               |
| Derivative financial liabilities                        | (73 046)       | -       | (73 046)               | -         | -              | -                               |
| Trade and other payables                                | (1 440 209)    | -       | -                      | -         | (1 207 738)    | (232 471)                       |
| Deposits from Bank customers                            | (9 433 681)    | -       | -                      | -         | (9 433 681)    | -                               |
| Non-financial instruments                               |                |         |                        |           |                |                                 |
| Investment property                                     | 91 617         | -       | -                      | 91 617    | -              | -                               |
| Total                                                   |                | 96 187  | 948 075                | 4 237 457 | (6 480 934)    | (110 884)                       |
| R'000                                                   | Carrying value | 2019    |                        |           |                | Other non-financial instruments |
|                                                         |                | Level 1 | Fair value instruments |           | Amortised cost |                                 |
|                                                         |                |         | Level 2                | Level 3   |                |                                 |
| Financial instruments                                   |                |         |                        |           |                |                                 |
| Cash and cash equivalents                               | 4 729 850      | -       | -                      | -         | 4 729 850      | -                               |
| Other investments                                       | 2 302 071      | 178 437 | 132 211                | 1 679 685 | 311 738        | -                               |
| Preference shares linked to participatory contributions | 1 127 444      | -       | -                      | -         | 1 127 444      | -                               |
| Loans and advances                                      | 8 430 859      | -       | 967 888                | 2 466 627 | 4 996 343      | -                               |
| Trade and other receivables                             | 1 357 062      | -       | -                      | -         | 1 167 226      | 189 836                         |
| Borrowings                                              | (4 528 278)    | -       | -                      | -         | (4 528 278)    | -                               |
| Derivative financial liabilities                        | (23 422)       | -       | (23 422)               | -         | -              | -                               |
| Trade and other payables                                | (1 479 487)    | -       | -                      | -         | (1 227 914)    | (251 573)                       |
| Participatory contribution                              | (1 724 276)    | -       | -                      | -         | (1 724 276)    | -                               |
| Deposits from Bank customers                            | (11 180 365)   | -       | -                      | -         | (11 180 365)   | -                               |
| Non-financial instruments                               |                |         |                        |           |                |                                 |
| Investment property                                     | 91 618         | -       | -                      | 91 618    | -              | -                               |
| Total                                                   |                | 178 437 | 1 076 677              | 4 237 930 | (6 328 232)    | (61 737)                        |

Fair value losses recognised in the condensed consolidated statement of other comprehensive income for Level 3 financial instruments were R137.9 million (2019: fair value gains of R243.4 million).

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**Reconciliation of Level 3 fair value measurement of financial instruments**

|                                                                  | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000 |
|------------------------------------------------------------------|----------------------------------------------------|------------------------------------------|
| Opening balance                                                  | <b>4 237 930</b>                                   | 3 099 845                                |
| Transfers                                                        | -                                                  | 417 401                                  |
| Purchases                                                        | <b>293 117</b>                                     | 1 289 941                                |
| Settlements                                                      | <b>(155 701)</b>                                   | (741 145)                                |
| IFRS 10 eliminations                                             | -                                                  | (71 557)                                 |
| Total gains / (losses) recognised in:                            |                                                    |                                          |
| – Condensed consolidated statement of other comprehensive income | <b>32 314</b>                                      | 4 434                                    |
| – Condensed consolidated income statement                        | <b>(170 203)</b>                                   | 239 011                                  |
| <b>Closing balance</b>                                           | <b>4 237 457</b>                                   | 4 237 930                                |

In the prior year, the Group reassessed all its loans and advances considering acquisition of profit share components and the realisable value of the loan together with the recoverability of Grindrod's investment in the underlying entities. As a result, these loans are fair value loans and reclassified from loans and advances to Level 3 fair valued loans.

**Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for material investments:

| <b>Material investment</b> | <b>Fair value at<br/>31 December<br/>2020<br/>R'000</b> | Fair value at<br>31 December<br>2019<br>R'000 | <b>Valuation method</b>  | <b>Unobservable inputs</b>             | <b>Range of inputs</b>                                                               | <b>Relationship of unobservable inputs to fair value (000)</b>                                                                                                                               |
|----------------------------|---------------------------------------------------------|-----------------------------------------------|--------------------------|----------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Private equity             | <b>142 800</b>                                          | 251 707                                       | Adjusted Net asset value | Based adjusted net asset value         | Based on adjusted net asset value                                                    | Based on adjusted net asset value                                                                                                                                                            |
| Medical                    | <b>185 437</b>                                          | 225 591                                       | Discounted cash flow     | Perpetuity growth<br><br>Discount rate | <ul style="list-style-type: none"> <li>6.0% - 8.0%</li> <li>12.0% - 14.0%</li> </ul> | Increase perpetuity growth to 8.0% and increased WACC to 14.0% would decrease FV to R176 396<br>Decrease perpetuity growth to 6.0% and decreased WACC to 12.0% would increase FV to R194 309 |
| Asset financing            | <b>283 136</b>                                          | 175 818                                       | Price multiple approach  | PE multiple                            | <ul style="list-style-type: none"> <li>8.8x – 10.8x</li> </ul>                       | Increased PE multiple to 10.8x would increase FV to R312 058<br>Decreased PE multiple to 8.8x would decrease FV to R254 505                                                                  |

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

| Material investment        | Fair value at 31 December 2020 R'000 | Fair value at 31 December 2019 R'000 | Valuation method              | Unobservable inputs                                                               | Range of inputs          | Relationship of unobservable inputs to fair value (000)                                                                                                                                                                    |
|----------------------------|--------------------------------------|--------------------------------------|-------------------------------|-----------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset financing            | <b>82 882</b>                        | 60 662                               | Net asset value               | Based on net asset value                                                          | Based on net asset value | Based on net asset value                                                                                                                                                                                                   |
| Real estate                | <b>507 057</b>                       | 487 570                              | Property valuations           | Property valuations                                                               | Property valuations      | Increase of 10% GBP5 013<br>Decrease of 10% (GBP4 249)                                                                                                                                                                     |
| North coast property loans | <b>1 377 428</b>                     | 1 420 730                            | Underlying security valuation | Discount rate<br>Growth rate<br><br>Highest and best value of combined properties | Per expert valuation     | Independent valuations range between R1.1 billion and R1.6 billion on the loans. This is based on the combined properties value of R2.5 billion.<br><br>Increase of 10% R128.0 million<br>Decrease of 10% (R128.0 million) |
| Loans and advances - Bank  | <b>1 263 415</b>                     | 1 151 241                            | Discounted cash flow          | Credit spread*                                                                    |                          | Increase of 100bps - R14 460<br>Decrease of 100bps - (R14 933)                                                                                                                                                             |

\* The loans are valued by forecasting the future interest rate by forecasting the forward interest rate on the contractually referenced floating interest rate curve and adding the contractual fixed inception credit spread. This future interest rate is applied to the nominal or carrying amount of the loan. The interest and capital cash flows are discounted using the Prime or JIBAR swap yield curves back to the valuation date. An appropriate credit spread is generally added to the curve used for discounting purposes to reflect the current credit risk associated with the borrower. If the borrower of the loan has had no change in credit risk profile since inception, the inception credit spread is applied.

**Valuation process**

The Group's finance and corporate finance teams perform valuations on certain assets for financial reporting purposes. The valuation input, assumptions, methodology and outputs are then challenged and debated with the Group Chief Financial Officer (CFO) prior to approval. Teams present their valuations for significant investments to the CFO who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the CFO and the respective teams at least once every six months, in line with the Group's half-yearly reporting periods. Any resulting adjustments to the carrying value will follow the internal approval process. North coast properties, being security on the lending, are assessed by an independent valuation professional.

The main four inputs used by the Group in measuring the fair value of financial instruments are:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset;
- Risks adjustments: these are specific to the counterparties (including assumptions about credit default rates) and are derived from the market assumptions on the operational environment and other factors affecting the investment; and
- Earnings growth factor for unlisted investments: these are estimated based on market information for similar types of companies or historical growth patterns.
- Independent expert valuations: valuations were conducted by registered independent experts using both the market approach and investment method.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**5. RELATED PARTY TRANSACTIONS****for the year ended 31 December 2020**

During each year, the Group, in the ordinary course of business, enters into various transactions with related parties. Parties are related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions are entered into under terms that are no more or less favourable than those entered into with the external third parties.

Below is a list of significant related party transactions and balances for each year:

|                                            | Nature of relationship                             | <b>Reviewed<br/>31 December<br/>2020<br/>R'000</b> | Reviewed<br>31 December<br>2019<br>R'000 |
|--------------------------------------------|----------------------------------------------------|----------------------------------------------------|------------------------------------------|
| <b>Goods and services sold to:</b>         |                                                    |                                                    |                                          |
| Portus Indico                              | Joint venture                                      | <b>157 452</b>                                     | 21 690                                   |
| Terminal De Carvo da Matola Limitada       | Joint venture                                      | <b>211 953</b>                                     | 19 941                                   |
| GPR Leasing Africa Limited                 | Joint venture                                      | <b>51 922</b>                                      | 7 080                                    |
| Rohlig Grindrod Proprietary Limited        | Joint venture                                      | <b>43 357</b>                                      | 55 888                                   |
| Interest earned on loans to associates     | Associates                                         | <b>126 806</b>                                     | 207 868                                  |
| <b>Goods and services purchased from:</b>  |                                                    |                                                    |                                          |
| Cockett Marine Oil Private Limited         | Joint venture                                      | <b>101 773</b>                                     | 123 216                                  |
| <b>Amounts due from related party:</b>     |                                                    |                                                    |                                          |
| Maputo Intermodal Container Depot, S. A    | Joint venture                                      | <b>67 618</b>                                      | 169 766                                  |
| Railco Africa Limited                      | Joint venture                                      | <b>118 685</b>                                     | -                                        |
| RBT Grindrod Terminals Proprietary Limited | Joint venture                                      | <b>186 301</b>                                     | 159 994                                  |
| RBT Resources Proprietary Limited          | Other related party                                | <b>190 398</b>                                     | 176 036                                  |
| GPR Leasing Africa Limited                 | Joint venture                                      | <b>-</b>                                           | 145 581                                  |
| Loans to associates                        | Associates                                         | <b>1 601 639</b>                                   | 1 994 864                                |
| Property-owning entities                   |                                                    | <b>822 044</b>                                     | 526 139                                  |
| Investment entities                        |                                                    | <b>319 992</b>                                     | 517 272                                  |
| Private equity portfolio                   |                                                    | <b>459 603</b>                                     | 951 453                                  |
| Directors (directly or indirectly)         | Directors and key officers                         | <b>1 760</b>                                       | 4 610                                    |
| <b>Interests held by directors:</b>        |                                                    |                                                    |                                          |
|                                            | <b>Equity investment in:</b>                       | <b>%held</b>                                       | <b>%held</b>                             |
| D Polkinghorne                             | Indirect shareholding in various Grindrod entities | <b>&lt;2%</b>                                      | <2%                                      |
| D Polkinghorne                             | Direct shareholding in SIRE (UK)                   | <b>&lt;2%</b>                                      | <2%                                      |
| Various directors                          | Grindrod Limited ordinary and preference shares    | <b>0.21</b>                                        | 0.10                                     |

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**6. CONTINGENT LIABILITIES****for the year ended 31 December 2020**

The Group guaranteed loans and facilities of subsidiaries and joint ventures amounting to R3 334.9 million (December 2019: R3 192.1 million) of which R2 011.9 million (December 2019: R2 180.4 million) had been utilised at period end.

Despite settlement in December 2020 of an investigation by Brazilian authorities into Cockett Group, the Cockett Group is still under investigation by two other authorities. External legal counsel has been engaged to assist the Cockett Group in responding to such investigations in an open and transparent way and are proactively co-operating with the authorities concerned. One investigation has been dormant for more than a year and the other only affects a small subsidiary of the Cockett Group. Any potential exposures (such as fines, penalties or legal costs) are not possible to determine and estimate at this stage.

**7. CAPITAL EXPENDITURE AND COMMITMENTS**

| Rmillion               | Capital expenditure |            | Split as follows        |                         |
|------------------------|---------------------|------------|-------------------------|-------------------------|
|                        | 2020                | 2021       | Approved not contracted | Approved and contracted |
| <b>Core operations</b> | <b>404</b>          | <b>361</b> | <b>82</b>               | <b>279</b>              |
| Port and Terminals     | 49                  | 44         | -                       | 44                      |
| Logistics              | 355                 | 317        | 82                      | 235                     |
| Split as follows:      |                     |            |                         |                         |
| Subsidiaries           | 305                 | 354        | 82                      | 272                     |
| Joint ventures         | 99                  | 7          | -                       | 7                       |

Total capital expenditure was R403.8 million (2019: R455.5 million), of which 54% was expansionary and the balance maintenance or replacement capital expenditure.

**8. CASH FLOW AND BORROWINGS**

The financial position reflects net debt of R682.8 million (December 2019: R69.0 million). The Group generated operating profit before working capital cash flows of R907.4 million (December 2019: R918.8 million) during the year. Working capital contributed to a net outflow of R36.4 million (December 2019: R100.4 million net inflow).

**9. STATEMENT OF FINANCIAL POSITION**

With total assets of R23 604.6 million (December 2019: R27 724.0 million) and low gearing, the Group's financial position remains good. Book net asset value per share is 1 075 cents (December 2019: 1 146 cents).

Shareholders' equity decreased to R7 959.0 million (December 2019: R8 535.3 million) mainly because of losses incurred in the current year. The increase of R143.5 million in the foreign currency translation reserve was due to the weaker Rand against the US dollar from R14.00 / US\$ in December 2019 to R14.62 / US\$ in December 2020. Ordinary shares in issue are 698 031 586 (2019: 762 553 314), following the repurchase and cancellation of shares from the B-BBEE consortium.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**10. BASIS OF PREPARATION**

The reviewed condensed consolidated annual financial statements have been prepared in accordance with the Framework concepts recognition and measurement criteria of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contain the information required by IAS 34 Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited applicable to provisional reports and the Companies Act No. 71 of 2008 of South Africa requirements applicable to condensed financial statements.

**Restatement**

The financial results for the prior year, were restated to reflect the Marine Fuels and Agricultural Logistics segment as continuing operations. Whilst the sale of the Agricultural investments was executed, pending the fulfilment of certain conditions, the sale process with regards to the Marine Fuels investment was delayed and is no longer highly probable in the short term. In terms of the IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, this segment must therefore be reclassified as continuing operations and can no longer be reported as a discontinued operation.

Whilst classified as non-current assets held-for-sale, the Marine Fuels business was carried at fair value and no profits/(losses) were reported in equity accounted earnings. The reclassification out of non-current assets held for sale results in these profit / (losses) being reported in equity accounted earnings and accordingly 2019 was restated.

The impact of the above restatements and representations are as follows:

| <b>Continuing operations</b>                                                                  | <b>Earnings<br/>R'000</b> | <b>Headline<br/>earnings<br/>R'000</b> | <b>EPS<br/>(cents)</b> | <b>HEPS<br/>(cents)</b> |
|-----------------------------------------------------------------------------------------------|---------------------------|----------------------------------------|------------------------|-------------------------|
| December 2019 results previously reported                                                     | 299 875                   | 525 154                                | 44.1                   | 77.2                    |
| Add: Marine Fuels and Agricultural investments previously included in discontinued operations | (707 534)                 | (469 861)                              | (104.0)                | (69.1)                  |
| Less: Marine Fuels change in measurement adjustment*                                          | (207 989)                 | (207 989)                              | (30.6)                 | (30.6)                  |
| December 2019 restated results                                                                | (615 648)                 | (152 696)                              | (90.5)                 | (22.5)                  |

\* This relates the equity accounted earning not previously recognised. .

The impact on the Statement of Financial Position as at 31 December 2019:

|                                                     | <b>Previously<br/>reported as at<br/>31 December<br/>2019<br/>R'000</b> | <b>Restatement of<br/>Marine Fuels out of<br/>held-for sale into<br/>continued operations<br/>R'000</b> | <b>Restated<br/>balances at<br/>01 January<br/>2020<br/>R'000</b> |
|-----------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Property, terminals, machinery, vehicles, equipment | 1 858 744                                                               | -                                                                                                       | <b>1 858 744</b>                                                  |
| Right of use assets                                 | 1 103 398                                                               | -                                                                                                       | <b>1 103 398</b>                                                  |
| Goodwill and intangible assets                      | 772 861                                                                 | -                                                                                                       | <b>772 861</b>                                                    |
| Investments in joint ventures                       | 2 348 145                                                               | 352 481                                                                                                 | <b>2 700 626</b>                                                  |
| Investments in associates                           | 92 917                                                                  | -                                                                                                       | <b>92 917</b>                                                     |
| Investment property                                 | 91 617                                                                  | -                                                                                                       | <b>91 617</b>                                                     |
| Other investments                                   | 2 302 077                                                               | -                                                                                                       | <b>2 302 077</b>                                                  |

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

|                                              | Previously<br>reported as at<br>31 December<br>2019<br>R'000 | Restatement of<br>Marine Fuels out of<br>held-for sale into<br>continued operations<br>R'000 | Restated<br>balances at<br>01 January<br>2020<br>R'000 |
|----------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Preference share investments by trusts       | 644 900                                                      | -                                                                                            | <b>644 900</b>                                         |
| Deferred taxation                            | 98 910                                                       | -                                                                                            | <b>98 910</b>                                          |
| Loans and advances                           | 4 263 948                                                    | -                                                                                            | <b>4 263 948</b>                                       |
| Total non-current assets                     | 13 577 517                                                   | 352 481                                                                                      | <b>13 929 998</b>                                      |
| Total current assets                         | 13 361 966                                                   | -                                                                                            | <b>13 361 966</b>                                      |
| Non-current assets held for sale             | 985 892                                                      | (553 829)                                                                                    | <b>432 063</b>                                         |
| Total assets                                 | 27 925 375                                                   | (201 348)                                                                                    | <b>27 724 027</b>                                      |
| Share capital and premium                    | 3 982 066                                                    | -                                                                                            | <b>3 982 066</b>                                       |
| Non-distributable reserves                   | 1 461 991                                                    | 6 641                                                                                        | <b>1 468 632</b>                                       |
| Accumulated profit                           | 3 364 197                                                    | (207 989)                                                                                    | <b>3 156 208</b>                                       |
| Equity attributable to owners of the Company | 8 808 254                                                    | (201 348)                                                                                    | <b>8 606 906</b>                                       |
| Non-controlling interests                    | (71 653)                                                     | -                                                                                            | <b>(71 653)</b>                                        |
| Total equity                                 | 8 736 601                                                    | (201 348)                                                                                    | <b>8 535 253</b>                                       |
| Total non-current liabilities                | 2 933 771                                                    | -                                                                                            | <b>2 933 771</b>                                       |
| Total current liabilities                    | 16 255 003                                                   | -                                                                                            | <b>16 255 003</b>                                      |
| Total equity and liabilities                 | 27 925 375                                                   | (201 348)                                                                                    | <b>27 724 027</b>                                      |

These condensed consolidated financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 03 March 2021, on the recommendation of the audit committee.

Following the reclassification of Marine Fuels into continuing, as well as the Group's strategy to realise non-core businesses, the segments have been restated in line with how the chief operating decision maker analyses the group as well as the requirements of IFRS 8: Operating segments. This resulted in the Marine Fuels and Agricultural Logistics and the Private Equity and Property segments being included as non-core.

**Accounting policies**

The accounting policies adopted, and methods of computation used in the preparation of the reviewed provisional consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2019. Non-trading items are a non-IFRS measure and consist of items that are usually capital in nature or not of an operational nature. In most cases non-trading items are those items excluded in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2019.

**11. POST BALANCE SHEET EVENTS**

There are no material post balance sheet events to report.

**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**Independent auditor's review report on condensed consolidated financial statements to the shareholders of Grindrod Limited**

We have reviewed the condensed consolidated financial statements of Grindrod Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated income statement and the condensed consolidated statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and selected explanatory notes.

**Directors' Responsibility for the Condensed Consolidated Financial Statements**

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the basis of preparation in Note 10, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a provisional report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Grindrod Limited for the year ended 31 December 2020 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in Note 10 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

Deloitte &amp; Touche

Registered Auditor

Per: MH Holme CA(SA), RA

Partner

3 March 2021



**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**PROSPECTS**

The Group is well positioned to capitalise on opportunities to unlock shareholder value as it continues to pursue its logistics corridor strategy. The strong recovery in the commodity and container markets is expected to continue into 2021 to Grindrod's benefit.

Xolani Mbambo has been appointed as Chief Executive of Freight Services to continue to drive the corridor strategy. Andrew Waller will continue as the Group Chief Executive and will concentrate on the disposal of the non-core businesses.

AG Waller  
Chief Executive Officer  
3 March 2020

MJ Hankinson  
Chairman  
3 March 2020

**DECLARATION OF FINAL DIVIDEND****Ordinary dividend**

Notwithstanding the strong cash generation from the core businesses, the Board has decided to delay the reinstatement of the dividend in order to focus on reducing the debt associated with the non-core businesses. The Board will review this position in August 2021.

Notice is hereby given that no gross final dividend has been declared out of income reserves for the year ended 31 December 2020 (2019: 14.2 cents final dividend declared).

At the date of this announcement, there were 698 031 586 issued ordinary shares.

**Preference dividend**

Notice is hereby given that a gross final dividend of 312.0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2019: 445.0 cents) has been declared out of income reserves for the year ended 31 December 2020, payable to preference shareholders in accordance with the timetable below.

At the date of this announcement, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The final net preference dividend is 249.6 cents per share for preference shareholders who are not exempt from dividends tax.

With respect to the preference dividend, in terms of the dividends tax effective since 22 February 2017, the following additional information is disclosed:

The local dividends tax rate is 20%; and Grindrod Limited's tax reference number is 9435/490/71/0.

**Preference dividend timetable**

|                                      |                          |
|--------------------------------------|--------------------------|
| Dividend declaration date            | Thursday, 4 March 2021   |
| Last date to trade cum-dividend      | Tuesday, 23 March 2021   |
| Securities start trading ex-dividend | Wednesday, 24 March 2021 |



**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

|              |                       |
|--------------|-----------------------|
| Record date  | Friday, 26 March 2021 |
| Payment date | Monday, 29 March 2021 |

No dematerialisation or rematerialisation of shares will be allowed for the period Wednesday, 24 March 2021 to Friday, 26 March 2021, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa.

By order of the Board

VB Commaille  
Group company secretary  
03 March 2021

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## CORPORATE INFORMATION

**Directors**

MJ Hankinson (Chairman\*), NL Sowazi (Lead independent non-executive director), FB Ally (Group financial director), GG Gelink\*, WJ Grindrod, B Magara\*, XF Mbambo, DA Polkinghorne, PJ Uys\*, WO van Wyk (alternate)\*, AG Waller (Group chief executive officer) and ZP Zatu\*.

\* Non-executive.

**Change in directorate and vote of thanks**

Raymond Ndlovu resigned as alternate non-executive director to Pieter Uys on 1 January 2020 and was replaced by Willem van Wyk on 30 January 2020. Zola Malinga resigned as non-executive independent director on 1 January 2020. Zimkhita Zatu and Ben Magara were appointed as independent non-executive directors on 30 January 2020.

Cathie Lewis resigned as Group company secretary with effect from 31 May 2020 to focus on Sustainability. Following Cathie's resignation, Vicky Commaille was appointed as Group company secretary with effect from 1 June 2020.

Fathima Ally was appointed as Group Financial Director with effect from 1 September 2020.

In line with governance recommendations regarding tenure, Mkhusele Faku retired from the Board of the Company effective 2 December 2020. The Board wishes Mkhusele well and extends its appreciation for his valued contribution and service during his 10-year tenure as a director of the Company.

**Registered office**

Grindrod Mews  
106 Margaret Mncadi Avenue, Durban, 4001  
PO Box 1  
Durban, 4000  
South Africa



**Grindrod Limited**

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

**Transfer secretaries**

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19 Ameshoff Street

Braamfontein, 2017

PO Box 4844

Johannesburg, 2000

South Africa

P +27 11 713 0800, F +27 86 674 4381

info@linkmarketservices.co.za

**Auditors**

Deloitte & Touche

Designated Audit Partner: Mark Holme CA(SA) RA

**Sponsor**

Nedbank Limited, acting through its Corporate and Investment Banking division

135 Rivonia Road

Sandton, 2196

PO Box 1144, Johannesburg, 2000

P +27 11 294 3524

michellebenade@nedbank.co.za

Registration number: 1966/009846/06, Incorporated in the Republic of South Africa

Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106

Statements contained in this announcement regarding the prospects of the Group, have not been reviewed nor audited by the Group's external auditors.

For more information and additional analyst information, please refer to [www.grindrod.com](http://www.grindrod.com).