

GRINDROD LIMITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION

for the year ended 31 December 2024



FINANCIAL RESULTS

for the year ended 31 December 2024

OPERATIONAL EXCELLENCE UNDERPINS RESILIENT PERFORMANCE AND INVESTMENT AIMED AT GROWTH

Grindrod reported a resilient performance for 2024 as it focused on delivering the best in industry expertise with an in-depth understanding of operating in the Southern African Development Community (SADC) and East African Community (EAC). We are steadfast in our commitment to efficiently and cost-effectively deliver Africa's commodities globally through integrated logistics solutions.

We are resolute in driving a safe working culture with zero-harm to our employees. We have a zero tolerance towards unsafe working practices. The BASSOPA safety campaign adopted groupwide in 2024 is yielding positive results. Our lost time injury frequency rate, a measure of injuries for every 200 000 hours worked, improved to 0.33 (2023: 0.48) against the target of 0.5, however, Grindrod sadly reported a fatality.

We achieved core headline earnings of R1 003.8 million, delivered under difficult trading circumstances following intermittent Lebombo/Ressano Garcia border closures into the last quarter of 2024, and disruptive cyclonic flooding in the first half of the year.

In order to secure our position as a meaningful player in the future of SADC's and EAC's logistics, we continue to pursue our strategy execution relentlessly.

Following the active restructuring of the Group in recent years to focus on the core operations, the immediate priority for the business remains to optimise costs and efficiencies across the Group and logistics value chain where we operate. Grindrod has streamlined its operations through responsible divestitures, raising R500 million from the sale of the property-backed loans receivable to African Bank, to focus on bulk handling, containerised cargo handling, rail and logistics in SADC and EAC.

Grindrod is well positioned to aggressively pursue growth in parallel with its optimisation workstream. This includes seeking opportunities within established capabilities as well as identifying value accretive bolt-on acquisitions. The growth pipeline identified includes several logistics infrastructure-led investment opportunities to the potential value of R8 billion across the core portfolio.

The year was marked by the acquisition of the remaining 35% shareholding in the Matola terminal for R1 426.4 million which is expected to be concluded in FY25. The acquisition underscores Grindrod's alignment with the port of Maputo's expansion plans, enhancing its position as a critical logistics hub for Southern Africa's mining sector.

In the first half of 2024, Grindrod was selected by Transnet National Ports Authority to develop and operate the first full-scale container handling facility at the port of Richards Bay in KwaZulu-Natal. The investment amount is estimated at a minimum R500 million over the facility's 25-year life of operation.

Grindrod's focus on rail is evident through the successful return of 13 locomotives from Sierra Leone, where its operations demonstrated proficiency in heavy-haul logistics. On its phase two of increasing its reach in South Africa's rail network, Grindrod will seek to acquire new and modern rolling stock fleet. The company is also enhancing its service offerings through active partnerships with rail authorities, ensuring sustainable cargo flows for the benefit of customers and stakeholders.

Grindrod is uniquely poised to take advantage of the numerous opportunities in the logistics space as South Africa progresses on its logistics network reform agenda. Specifically, the Group is participating in both the immediate and medium-term open access slots across the rail network in South Africa. The business will be discerning in the corridors it tenders for, evaluating the opportunities against a set of criteria including efficiencies, customer commitments, understanding of the corridor and the impact on the overall returns across the logistics value chain.

The optimisation process that has allowed Grindrod to become an efficient and focused logistics services provider has resulted in a leaner business; however, the business remains cognisant of its need to ensure that the balance sheet remains appropriately capacitated to meaningfully participate in strategic opportunities, creating long-term value for shareholders.

Based on this year's financial performance and a healthy cash position, the Grindrod board of directors approved a final dividend of 17.0 cents per share, resulting in a total dividend of 40 cents per share declared from 2024 earnings and a total cash distribution of R267.2 million to the shareholders. The resulting dividend cover is 3.6 times on core headline earnings, comfortably within Grindrod's guidance of 3 to 4 times.

We continue to drive our strategic growth, and the positive momentum achieved in the last few years. The growth potential, however, is currently constrained by the company's size in a highly competitive market where it competes against established international logistics players of scale. As a result, Grindrod is pursuing funding options, matching its future investment opportunities.

Our capital allocation framework, growth project pipeline, track record of operational performance, and strong balance sheet allow us to invest in future growth and maintain strong cash returns for shareholders.

Xolani Mbambo
Grindrod Chief Executive Officer

KEY FEATURES

for the year ended 31 December 2024

FINANCIAL

Core EBITDA*

R2.0 billion

Core headline earnings*

R1.0 billion

CAPITAL ALLOCATION

Cash generated from operations

R784 million

Final ordinary dividend

17.0 cents per share

OPERATIONAL

Port volumes

⬆️ **14%**

14.3 million tonnes

Drybulk terminal volumes

⬇️ **5%**

16.7 million tonnes

SAFETY

Fatality

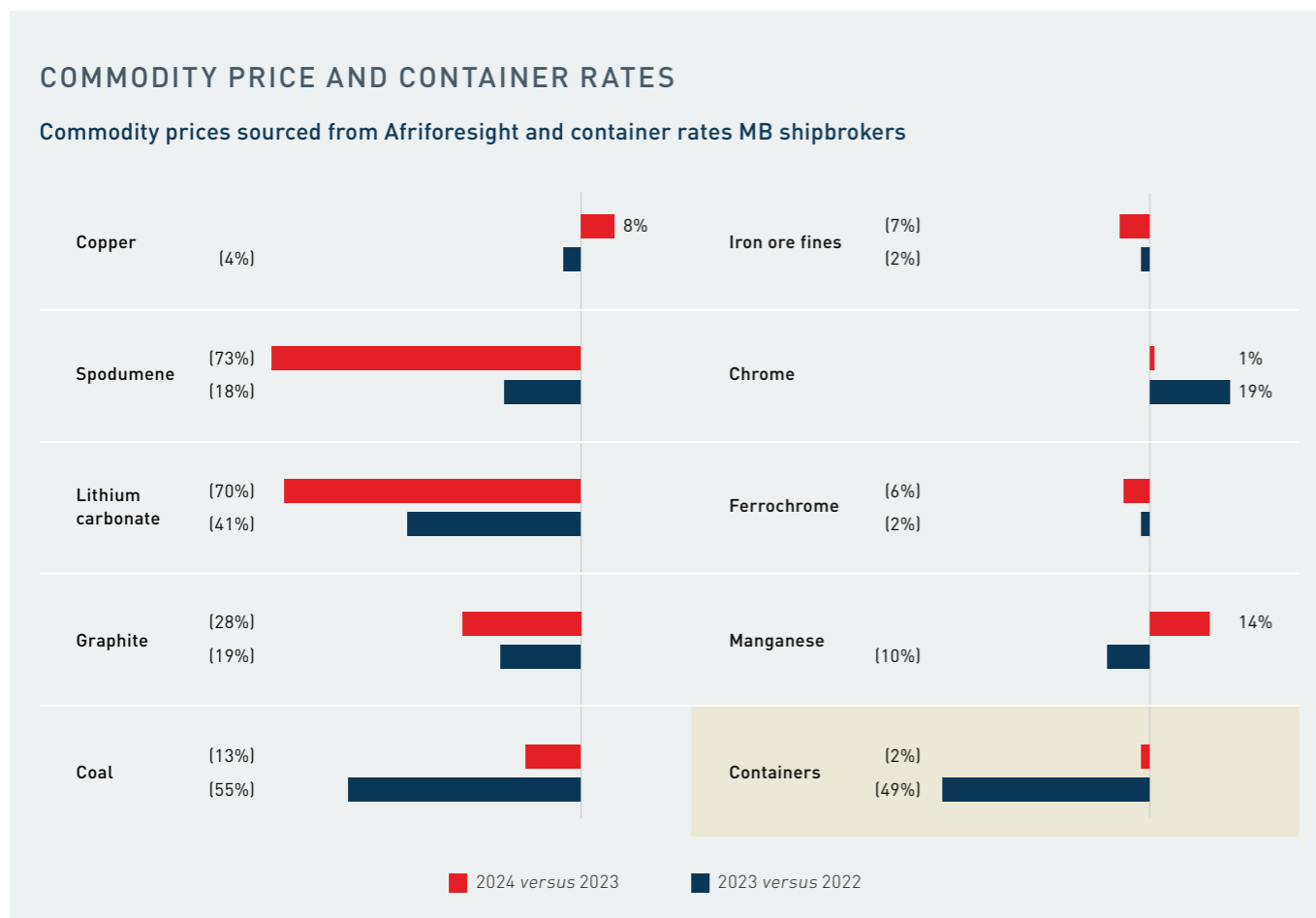
1 fatality reported

LTIFR

0.33

* Core operations include Port and Terminals, Logistics and Group and is inclusive of joint ventures.

MARKET OVERVIEW



The soft export drybulk commodity market experienced in the first half of this year, continued into the second half.

Throughout 2024, subdued Chinese economic growth, persistent downturn in the Chinese property market and more recent geopolitical developments have weighed on the market of Grindrod's portfolio of export drybulk commodities.

Chrome, copper and manganese have demonstrated resilience in prices. The average benchmark API4 Richards Bay Coal Terminal export price declined by 13% from the prior period.

Overall global supply constraints, geopolitics, warmer winter and China's lower than expected growth continued to create price volatility.

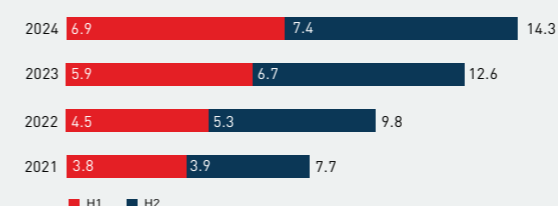


MARKET OVERVIEW continued

SEGMENT PERFORMANCE



Port volumes (mtpa)

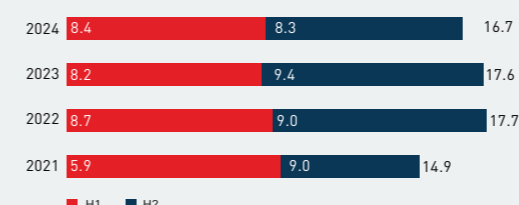


Performance

The Port of Maputo's drybulk terminal, which handles mainly chrome, achieved 14.3 million tonnes for the FY 24, a growth of 14% on the prior period. The strong volume performance momentum into the second half of the year sustained the port against the impact of the post election protests. In August, the port achieved a record 1.4 million tonnes underpinned by the buoyant chrome market, high stock holding on the quayside and operational efficiencies. Grindrod's drybulk terminals in Mozambique handled 11.0 million tonnes, 15% down on the prior year, impacted by post election protests and the subdued coal market. In South Africa, Grindrod handled 5.5 million tonnes in its Richards Bay drybulk and Durban multipurpose terminals, which included a record performance at the Richards Bay Navitrade facility.

Grindrod's 24.7% share of earnings from the Port of Maputo was R326 million (2023: R236 million), up 38% on FY 23. The earnings before interest, tax, depreciation and amortisation ("EBITDA") margin in the Port and Terminals segment declined by 6% due to low volumes impacted by protests and the subdued coal market.

Terminal volumes (mtpa)



Performance

Strong continued performance in the ships agency and clearing and forward business, reporting a 10% increase in headline earnings.

The segment performance was impacted by the challenging operating environment, a decrease in container volume throughput and an increase in low margin transport brokering.

The Rail business focused on the refurbishment of the 13 locomotives repatriated from Sierra Leone and various engagements ahead of the anticipated South African rail open access. The current fleet consists of 44 locomotives and 88 wagons.

OVERALL GROUP FINANCIAL PERFORMANCE

Earnings and margins

CORE REVENUE*

R7.4bn ⬇️ 2%
FY23 R7.5bn

CORE EBITDA*

R2.0bn ⬇️ 20%
FY23 R2.5bn

CORE EBITDA MARGIN*

27%
FY23 34%

CORE HEADLINE EARNINGS

R1.0bn ⬇️ 26%
FY23 R1.4bn

CASH FLOW FROM OPERATIONS

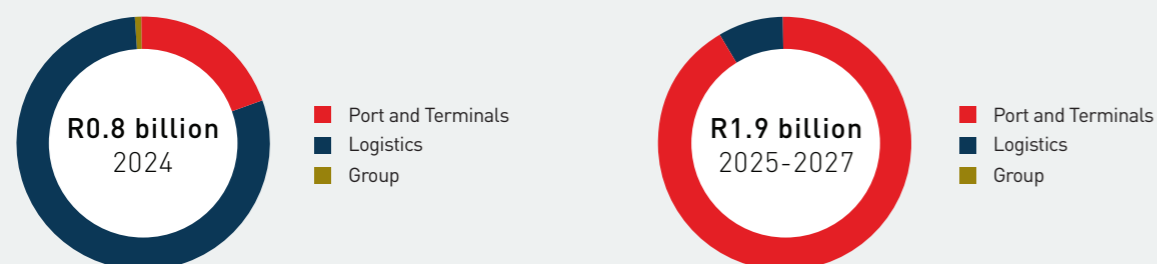
R784m ⬇️ 32%
FY23 1.2bn

CASH CONVERSION

92%

* Includes Port and Terminals, Logistics and Group and is inclusive of joint ventures. All percentages reflected above are based on unrounded amounts.

Capital expenditure growth



Grindrod's core business reported headline earnings of R1.0 billion against R1.4 billion in 2023, down 26%. Earnings were impacted by the subdued coal market, post electoral protest action in Mozambique in Q4 of 2024 and continuing logistics constraints which drove EBITDA margins down to 27% from 34% in the prior year. Consequently, cash generated from operations was down 32% to R784.4 million (2023: R1 150.2 million), however, the cash conversion ratio was strong at 92%.

The transaction to dispose of the North Coast property backed loans and advances for R500 million necessitated fair value losses of R427.2 million (on the fair value loan) and expected credit losses of R95.7 million (on the amortised cost loans). In addition, losses of R165.5 million (2023: R56.1 million) were recognised relating to the warranties provided on ringfenced loans disposed as part of the Grindrod Bank disposal in 2022.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Revenue	4 976 240	4 845 572
Trading profit before expected credit losses and depreciation and amortisation ^{1,2}	390 607	1 015 055
Expected credit losses ^{2,3}	(95 672)	(92 030)
Depreciation and amortisation	(334 314)	(391 631)
(Loss)/Profit before interest, taxation and non-trading items	(39 379)	531 394
Non-trading items	8 038	(15 175)
Interest income	219 699	240 642
Interest expense	(279 009)	(219 967)
(Loss)/Profit before share of joint venture and associate companies' profit	(90 651)	536 894
Share of joint venture companies' profit after taxation	732 569	805 237
Share of associate companies' profit after taxation	37 137	19 228
Profit before taxation	679 055	1 361 359
Taxation	(289 602)	(301 606)
Profit for the year	389 453	1 059 753
Attributable to:		
Owners of the parent	314 184	987 776
Preference shareholders	76 088	74 378
Non-controlling interests	(819)	(2 401)
	389 453	1 059 753
Basic earnings per share	(cents) 47.1	148.0
Diluted earnings per share	(cents) 47.0	147.9

¹ Current year trading profit includes R459.5 million of fair value losses (2023: R348.7 million) relating to the private equity and property segment following the intended disposal of the property-backed loans to African Bank for a consideration of R500.0 million. As part of the intended transaction, the warranties provided on the ring-fenced loans disposed of as part of the Grindrod Bank disposal in 2022, were extended. Further, losses of R165.5 million (2023: R56.1 million) were recognised. Refer to note 7 for further details.

² These items combined constitute earnings before interest, taxation, depreciation and amortisation ("EBITDA").

³ Current year expected credit losses includes expected credit losses of R95.7 million (2023: reversals of expected credit losses of R15.1 million) on the private equity and property segment.

HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Reconciliation of headline earnings		
Profit attributable to ordinary shareholders	314 184	987 776
Adjusted for:	(2 334)	24 649
Impairment of goodwill*	13 989	137 330
Net profit on disposal of investments	(2 873)	(34 226)
Net loss on disposal of business	19 934	257
Gain on bargain purchase	(10 543)	–
Foreign currency translation reserve release	(34 086)	6 549
Profit on disposal of non-current assets held for sale and liabilities associated with assets held for sale	–	(92 758)
Impairment of intangibles, property, terminals, machinery, ship, vehicles and equipment	4 757	27 608
Net loss/(profit) on disposal of plant, terminals, machinery, ship, vehicles and equipment	784	(7 965)
Insurance compensation on property, terminals, machinery, ship, vehicles and equipment impaired and scrapped due to KZN floods	–	(21 620)
Total taxation effects of adjustments	12 653	7 783
Joint ventures and associates:		
Net profit on disposal of intangibles, property, terminals, machinery, ship, vehicles and equipment**	(6 582)	(3 829)
(Reversal of impairment)/impairment of intangibles, property, terminals, machinery, ship, vehicles and equipment**	(367)	5 520
Headline earnings	311 850	1 012 425

* In the current year, the goodwill applicable to the Zambia Furnace Supplies Limited (2023: Richards Bay Terminals) cash generating unit was impaired down to its recoverable amount of Rnil which was assessed based on value-in-use.

** Net of taxation.

		Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Number of shares in issue less treasury shares	(000s)	667 900	667 760
Weighted average number of shares (basic)	(000s)	667 339	667 223
Diluted weighted average number of shares	(000s)	668 131	667 750
Basic headline earnings per share	(cents)	46.7	151.7
Diluted headline earnings per share	(cents)	46.7	151.6
Ordinary dividends			
Dividends per share – interim	(cents)	23.0	34.4
Dividends per share – final	(cents)	17.0	38.0
Dividend cover (headline)	(times)	1.2	2.1
Preference dividends			
Dividends per share – interim	(cents)	516.0	483.0
Dividends per share – final	(cents)	513.0	521.0



CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Profit for the year	389 453	1 059 753
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	103 517	436 655
Items that will not be subsequently reclassified to profit or loss		
Actuarial gains/(losses)*	8 234	[5 229]
Fair value gain/(loss) arising on financial instruments*	1 448	[1 234]
Total comprehensive income for the period	502 652	1 489 945
Total comprehensive income/(loss) attributable to:		
Owners of the parent	427 269	1 417 267
Preference shareholders	76 088	74 378
Non-controlling interests	(705)	[1 700]
	502 652	1 489 945

* Net of taxation.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Property, terminals, machinery, ship, vehicles and equipment	2 224 604	1 773 131
Right-of-use assets	409 681	481 727
Investment property	713 025	668 051
Goodwill and intangible assets	326 033	350 437
Investments in joint ventures	4 759 868	4 695 899
Investments in associates	262 089	221 385
Other investments	197 920	203 620
Deferred taxation assets	57 570	121 824
Finance lease receivables	417 288	429 477
Loans and advances [^]	–	1 014 288
Total non-current assets	9 368 078	9 959 839
Inventories	104 855	54 442
Trade and other receivables	1 881 138	1 660 150
Current portion of finance lease receivables	73 036	82 959
Current portion of long-term receivable	209 058	253 589
Taxation receivable	109 304	38 848
Money market funds	1 061 264	416 336
Cash and cash equivalents	1 453 821	2 105 909
	4 892 476	4 612 233
Non-current assets classified as held for sale[^]	500 000	–
Total current assets	5 392 476	4 612 233
Total assets	14 760 554	14 572 072

[^] Loans and advances have been classified as non-current assets held for sale. Refer to note 7.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Capital and reserves		
Share capital and premium	3 936 891	3 936 323
Non-distributable reserves	2 680 827	2 607 411
Accumulated profit	3 303 191	3 387 863
Equity attributable to owners of the Company	9 920 909	9 931 597
Non-controlling interests	(54 205)	(53 500)
Total equity	9 866 704	9 878 097
Long-term borrowings	1 658 581	1 443 595
Lease liabilities	491 356	523 368
Long-term private equity funding	–	120 653
Deferred taxation liabilities	78 653	55 309
Provision for post-retirement medical aid	20 624	19 891
Provisions and other liabilities	335 427	185 077
Total non-current liabilities	2 584 641	2 347 893
Current portion of long-term borrowings	198 324	154 518
Current portion of lease liabilities	86 905	114 450
Current portion of private equity funding	133 970	–
Trade and other payables	1 430 527	1 677 816
Taxation payable	55 831	92 893
Current portion of provisions and other liabilities	44 226	40 126
Short-term borrowings and bank overdraft	359 426	266 279
Total current liabilities	2 309 209	2 346 082
Total equity and liabilities	14 760 554	14 572 072

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
(Loss)/Profit before interest, taxation and non-trading items	(39 379)	531 394
Non-cash adjustments	1 151 508	923 899
Operating profit before working capital changes	1 112 129	1 455 293
Working capital changes	(327 684)	(305 048)
Cash generated from operations	784 445	1 150 245
Net interest paid	(126 563)	(18 945)
Net dividends paid	(140 255)	(230 406)
Net taxation paid	(322 689)	(468 017)
	194 938	432 877
Other operating cash flows from private equity		
Net advances	-	(2 388)
Net cash flows from operating activities	194 938	430 489
Net movement in acquisition of property, terminals, machinery, ship, vehicles and equipment	(420 700)	(616 669)
Net movement on disposal of investments, subsidiaries and businesses	(1 049)	(23 570)
Net proceeds on disposal of non-current assets held for sale	-	272 413
Acquisition of money market funds	(1 365 908)	(405 617)
Disposal of money market funds	771 399	-
Net cash flows from investing activities	(1 016 258)	(773 443)
Borrowings raised	609 243	1 204 062
Borrowings repaid	(522 280)	(1 288 442)
Net cash flows from financing activities	86 963	(84 380)
Net decrease in cash and cash equivalents	(734 357)	(427 334)
Cash and cash equivalents at the beginning of the period	1 839 630	2 194 553
Difference arising on translation	5 274	72 411
Cash and cash equivalents at the end of the period**^	1 110 547	1 839 630

* Cash and cash equivalents comprise the net of bank and cash balances of R1.5 billion (December 2023: R2.1 billion) and the overdraft balance of R343.3 million (December 2023: R266.3 million).

^ The year end cash and cash equivalents and money market funds of R2.5 billion (December 2023: R2.5 billion) are the total funds available to the Group.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Ordinary and preference share capital and share premium	3 936 891	3 936 323
Balance at the beginning of the year	3 936 323	3 934 557
Share options vested	568	1 766
Equity compensation reserve	44 437	40 338
Balance at the beginning of the year	40 338	39 075
Share-based payments	4 667	3 029
Share options vested	(568)	(1 766)
Foreign currency translation reserve	2 720 171	2 644 622
Balance at the beginning of the year	2 644 622	2 196 770
Foreign currency translation realised	(34 086)	6 549
Foreign currency translation adjustments	109 635	441 303
Other non-distributable reserves	(83 781)	(77 549)
Balance at the beginning of the year	(77 549)	(72 200)
Foreign currency translation adjustments	(6 232)	(5 349)
Accumulated profit	3 303 191	3 387 863
Balance at the beginning of the year	3 387 863	2 785 174
Other comprehensive income/(loss) from financial instruments	1 448	(1 234)
Actuarial gains/(losses) recognised	8 234	(5 229)
Profit for the year	390 272	1 062 154
Ordinary dividends declared	(408 538)	(378 624)
Preference dividends declared	(76 088)	(74 378)
Total interest of shareholders of the Company	9 920 909	9 931 597
Equity attributable to non-controlling interests of the Company	(54 205)	(53 500)
Balance at the beginning of the year	(53 500)	(61 914)
Foreign currency translation adjustments	114	701
Non-controlling interest acquired	-	4 547
Non-controlling interest disposed	-	6 408
Loss for the year	(819)	(2 401)
Ordinary dividends declared	-	(841)
Total equity attributable to all shareholders of the Company	9 866 704	9 878 097

SEGMENTAL INFORMATION

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Revenue		
Port and Terminals	2 680 739	3 070 277
Logistics	4 499 603	3 727 595
Group	191 146	692 604
Total core operations	7 371 488	7 490 476
Marine Fuels	20 104 709	16 042 942
Private equity and property	–	372
Total operations	27 476 197	23 533 790
Segmental adjustments [^]	(22 499 957)	(18 688 218)
	4 976 240	4 845 572
Trading profit/(loss) net of expected credit losses (EBITDA)		
Port and Terminals	1 008 565	1 335 904
Logistics	947 768	1 173 608
Group	59 011	3 395
Total core operations	2 015 344	2 512 907
Marine Fuels	37 943	47 621
Private equity and property	(719 002)	(364 529)
Total operations	1 334 285	2 195 999
Segmental adjustments [^]	(1 039 350)	(1 272 974)
	294 935	923 025
Profit/(loss) before interest, taxation and non-trading items		
Port and Terminals	743 841	1 041 579
Logistics	537 265	743 214
Group	15 078	(36 027)
Total core operations	1 296 184	1 748 766
Marine Fuels	32 170	46 941
Private equity and property	(719 002)	(364 529)
Total operations	609 352	1 431 178
Segmental adjustments [^]	(648 731)	(899 784)
	(39 379)	531 394

[^] For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby the effective share of the Group's ownership is applied to each line item above. In the unaudited condensed consolidated financial statements, investments in joint ventures are equity accounted. Segmental adjustments relate to the effects of reversing proportionate consolidation to reconcile to the unaudited condensed consolidated financial statements.

SEGMENTAL INFORMATION continued

for the year ended 31 December 2024

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Share of associate companies' profit after taxation		
Port and Terminals	357 836	252 560
Logistics	5 420	2 824
Total core operations	363 256	255 384
Segmental adjustments [^]	(326 119)	(236 156)
	37 137	19 228
Profit/(loss) attributable to ordinary shareholders		
Port and Terminals	831 880	785 149
Logistics	269 827	615 296
Group	(95 597)	(66 074)
Total core operations	1 006 110	1 334 371
Marine Fuels	32 651	53 473
Private equity and property	(724 577)	(400 068)
	314 184	987 776
Geographical revenue		
North America	85 054	89 220
Middle East	9 018 981	7 360 250
Singapore/Asia/Far East	11 119 656	8 702 531
Australia	51 608	56 556
South Africa	4 194 927	3 211 457
Rest of Africa	3 005 972	4 113 776
	27 476 198	23 533 790

[^] For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby the effective share of the Group's ownership is applied to each line item above. In the unaudited condensed consolidated financial statements, investments in joint ventures are equity accounted. Segmental adjustments relate to the effects of reversing proportionate consolidation to reconcile to the unaudited condensed consolidated financial statements.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. FOREIGN CURRENCY DENOMINATED ITEMS

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\$)	Reviewed 31 December 2024	Audited 31 December 2023
Opening exchange rate	18.56	16.98
Closing exchange rate	18.82	18.56
Average exchange rate	18.38	18.44

2. REVENUE

Revenue category	Segment	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Bulk terminals recognised at a point in time		1 551 371	2 250 014
Handling	Port and Terminals	1 551 371	1 566 010
Value added services – commodity export sales	Group	–	684 004
Container handling		572 120	711 224
Recognised at a point in time	Logistics	497 191	555 204
Recognised over time	Logistics	74 929	156 020
Logistics recognised at a point in time	Logistics	1 689 178	760 241
Sale of project cargo handling equipment recognised at a point in time	Logistics	–	114 398
Ships agency income recognised at a point in time	Logistics	740 318	593 241
Stevedoring recognised at a point in time	Port and Terminals	105 266	110 668
Locomotive maintenance and parts sales recognised at a point in time	Logistics	27 738	–
Rental income recognised over time	Port and Terminals, Logistics and Group	111 129	129 382
Interest income recognised over time	Logistics	45 423	27 808
Management fees received from joint ventures and associates recognised over time	Port and Terminals, Logistics and Group	114 263	107 489*
Other services recognised at a point in time [^]	Port and Terminals, Logistics and Group	19 434	41 107*
		4 976 240	4 845 572

* Management fees received from joint ventures and associates, which was previously included in other services, has now been disaggregated and reported separately.

[^] Other services includes revenue earned from various ancillary services including, but not limited to, travel agency services and container sales.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2024

3. RECONCILIATION OF REVENUE TO TRADING PROFIT BEFORE EXPECTED CREDIT LOSSES AND DEPRECIATION AND AMORTISATION

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Revenue	4 976 240	4 845 572
Less: Expenses	(4 653 023)	(3 893 019)
Staff costs	(949 825)	(925 860)
Subcontractor handling, plant hire, transport and other related costs	(1 931 738)	(1 108 181)
Value added services – cost of commodities for export sales	–	(386 730)
Agent commission on commodity export sales	(1 254)	(52 844)
Bunker costs	–	(75)
Other container and bulk handling expenses	(380 421)	(242 544)
Cost of project cargo handling equipment sold	–	(109 451)
Property and infrastructure related costs	(461 461)	(472 655)
Audit fees*	(21 544)	(29 181)
Bank warranty provision	(165 487)	(56 130) [^]
Other operating expenses**	(279 952)	(179 562) [^]
Net foreign exchange gain	2 608	28 028
Net loss on financial instruments	(463 949)	(357 834)
Add: Other income	67 390	62 502
Insurance income	32 904	9 243
Other income	34 486	53 259
Trading profit before expected credit losses and depreciation and amortisation	390 607	1 015 055

* Included in audit fees is an amount of R21.0 million related to the Group's external auditor, PwC.

[^] The bank warranty provision, which was previously included in other operating expenses, has now been disaggregated and reported separately.

** Other operating expenses comprises mainly motor vehicle expenses, communication expenses, computer expenses, professional fees and administrative expenses.



4. LONG-TERM RECEIVABLE

The long-term receivable relates to the deferred interest-bearing proceeds from the disposal of the investment in Select Industrial Real Estate UK Fund Limited ("SIRE").

On 04 November 2021, the Group disposed of its entire shareholding in SIRE for a cash consideration of £17.4 million to Gripon Limited, the other shareholder in the underlying structure. As at 31 December 2024, £9.2 million (R195.0 million) has been received, with a further £1.8 million (R42.6 million) received in January 2025. The remaining capital amount of £6.4 million and interest is due to be received by 30 June 2025.

Since inception, the outstanding proceeds were discounted at a rate of 5.4% based on a market-related borrowing rate in the United Kingdom, for borrowing with a similar collateral profile, factoring in the credit risk of the buyer. In addition, interest at 1.5% on the outstanding proceeds commenced 13 months from the date of disposal (December 2023) and was revised to 10% in May 2024.

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Carrying value of the receivable is converted at a closing exchange rate of R23.68/£ (December 2023: R23.64/£)*	209 058	253 589
Split as follows:		
Non-current [^]	-	-
Current [^]	209 058	253 589

* The impact of a R1 change in the exchange rate would result in a change in the receivable carrying value of R8.8 million (December 2023: R10.7 million). In addition, the impact of a 1% change in the discount rate at inception would have resulted in a change in the receivable carrying value of R5.8 million.

[^] On 01 July 2023, a long-term debt funding arrangement was restructured to facilitate a repayment, hence reducing the quantum of the loan, as well as to revise the underlying securities provided to the funder. This long-term receivable now forms part of the revised security under the new arrangement.

Expected credit losses of R1.6 million (December 2023: R1.6 million) have been raised relating to the abovementioned receivable.

5. FINANCIAL INSTRUMENTS DISCLOSURE

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:

- Independently observable market prices; and/or
- The net asset value of the underlying investments.

5. FINANCIAL INSTRUMENTS DISCLOSURE continued

R'000	31 December 2024				Amortised cost*	Other non-financial instruments
	Carrying value	Level 1	Level 2	Level 3		
Financial instruments						
Cash and cash equivalents	1 453 821	-	-	-	1 453 821	-
Money market funds	1 061 264	-	1 061 264	-	-	-
Other investments	197 920	24 270	119 880	25 516	28 254	-
Finance lease receivables	490 324	-	-	-	490 324	-
Long-term receivable	209 058	-	-	-	209 058	-
Trade and other receivables	1 881 138	-	-	-	1 444 039	437 099
Loans and advances [^]	500 000	-	415 306	-	84 694	-
Borrowings	(2 928 562)	-	-	-	(2 928 562)	-
Trade and other payables	(1 430 527)	-	-	-	(1 159 667)	(270 860)
Provisions and other liabilities	(379 653)	-	-	-	(300 000)	(79 653)
Total		24 270	1 596 450	25 516	(678 039)	86 586

* Carrying value approximates fair value.

[^] Loans and advances were previously categorised as Level 3 financial instruments. In the current year, the Group reached an agreement to dispose of the North Coast property-backed loans to African Bank Limited. The transaction is considered highly probable, therefore, the loans and advances have been classified as non-current assets held for sale and categorised as Level 2 financial instruments.

R'000	31 December 2023				Amortised cost*	Other non-financial instruments
	Carrying value	Level 1	Level 2	Level 3		
Financial instruments						
Cash and cash equivalents	2 105 909	-	-	-	2 105 909	-
Money market funds	416 336	-	416 336 [^]	-	-	-
Other investments	203 620	52 089	96 378	38 199	16 954	-
Finance lease receivables	512 436	-	-	-	512 436	-
Loans and advances	1 014 288	-	-	842 500	171 788	-
Long-term receivable	253 589	-	-	-	253 589	-
Trade and other receivables	1 660 150	-	-	-	1 361 031	299 119
Borrowings	(2 622 863)	-	-	-	(2 622 863)	-
Trade and other payables	(1 677 816)	-	-	-	(1 318 348)	(359 468)
Provisions and other liabilities	(225 203)	-	-	-	(135 400)	(89 803)
Total		52 089	512 714	880 699	345 096	(150 152)

* Carrying value approximates fair value.

[^] The money market funds were incorrectly classified as amortised cost. This has now been corrected. The change in classification had no impact on any of the primary financial statements.

5. FINANCIAL INSTRUMENTS DISCLOSURE continued

	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Reconciliation of Level 3 fair value measurement of financial instruments		
Opening balance	880 699	1 235 141
Settlements	(3 289)	(5 540)
Disposal of subsidiary/business	–	(6 430)
Total (losses)/gains recognised in:		
Condensed consolidated statement of other comprehensive income	(360)	3 353
Condensed consolidated income statement	(51 034)	(345 825)
Transferred to Level 2 fair value classification*	(800 500)	–
Closing balance	25 516	880 699

* These relate to loans and advances which have been classified to non-current assets held for sale. A Level 3 fair value loss of R42.0 million was recognised prior to making the Level 2 classification.



6. ACQUISITION OF BUSINESSES

During the year, the Group acquired the following:

Company	Nature of business	Nature of acquisition	Interest acquired	Date acquired	Cash consideration R'000
Grindrod Rail Consultancy Services Proprietary Limited	Rail technical services	Purchase of remaining shareholding	*57.70%	01 July 2024	65 000

* The entity was previously 42.3% owned. Post the acquisition, it is 100% owned.

Reason for the acquisition

The acquisition of the remaining shareholding in Grindrod Rail Consultancy Services Proprietary Limited is in line with Grindrod's strategic intent to build an effective rail offering on the key corridors in which it operates, accelerating growth in volumes and enabling integrated pit-to-port solutions.

Impact of the acquisition on the results of the Group

Had the acquisition been consolidated from the beginning of the year, the business would have contributed profits of R19.6 million and revenue of R191.3 million.

Net assets acquired in the current year

The net assets acquired are as follows:

	Reviewed 31 December 2024 R'000
Nature of relationship	
Property, terminals, machinery, vehicles and equipment	45 816
Right-of-use assets	6 990
Intangible assets	1 918
Inventory	46 187
Trade and other receivables	107 639
Cash and cash equivalents	20 391
Trade and other payables	(95 355)
Lease liabilities	(7 023)
Taxation payable	(3 132)
Deferred taxation	(236)
Fair value of business acquired	123 195
Settled as follows:	
Disposal of investment in joint venture	47 962
Less: loss on disposal of investment in joint venture	(310)
Add: gain on bargain purchase*	10 543
Cash purchase price	65 000
Net cash outflow on acquisition	
Cash purchase price	(65 000)
Less: cash acquired	20 391
	(44 609)

* Refer to the headline earnings reconciliation.

7. NORTH COAST PROPERTY ADVANCES AND NON-CURRENT ASSETS HELD FOR SALE

During the year, the Group reached agreement with African Bank Limited to dispose of its North Coast property backed loans and advances for R500.0 million. The transaction is considered highly probable. Consequently, the assets subject to disposal are classified as held for sale.

	Opening balance R'000	Interest capitalised R'000	Repayment R'000	Fair value adjustment R'000	Expected credit losses R'000	Transfer to non-current assets held for sale R'000	Closing balance R'000
Loan held at fair value	842 500	-	-	(427 194)*	-	(415 306)	-
Loan held at amortised cost	171 788	10 841	(2 195)	-	(95 740)	(84 694)	-
	1 014 288	10 841	(2 195)	(427 194)	(95 740)	(500 000)	-

* This consists of a Level 3 fair value loss of R42.0 million and a Level 2 fair value loss of R385.2 million.

8. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, enters into various transactions with related parties. Parties are related if one party can exercise joint 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 external third parties.

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

	Nature of relationship	Nature of transactions	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Goods and services sold to:				
Cockett Marine Oil Pte Limited	Joint venture	Dividend income Management fees	78 137	4 638
Portus Indico	Joint venture	Dividend income	261 974	159 785
Terminal De Carvão da Matola Limitada	Joint venture	Admin fees Management fees Rental	82 980	124 380
Grindrod Rail Consultancy Services Proprietary Limited [#]	Joint venture	Management fees	1 241	25 102
Röhlig-Grindrod Proprietary Limited	Joint venture	Dividend income Management fees Rental	87 932	88 148
Grindrod Logistics Proprietary Limited	Joint venture	Finance income (Finance lease) Rental Stevedoring	121 928	210 437
France Rail Industry South Africa Proprietary Limited	Other related party*	Clearing and forwarding	3 996	761
Goods and services purchased from:				
Cockett Marine Oil Pte Limited	Joint venture	Bunker fuels	4 462	1 766

8. RELATED PARTY TRANSACTIONS continued

	Nature of relationship	Reviewed 31 December 2024 R'000	Audited 31 December 2023 R'000
Amounts due from related party:			
Maputo Intermodal Container Depot SA	Joint venture	68 751	78 119
Railco Africa Limited [^]	Joint venture	-	1 052
GPR Leasing Africa [^]	Joint venture	-	89 256
Grindrod Logistics Proprietary Limited	Joint venture	320 867	316 558
Portus Indico	Joint venture	52 075	-
France Rail Industry South Africa Proprietary Limited	Other related party*	-	18 772

[#] In July 2024 the Group acquired the remaining 57.7% shareholding (previously 42.3% owned) which resulted in the entity being consolidated. Refer to note 6.

^{*} ZP Zatu Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.

[^] The Group exited the joint venture arrangement during April 2024. Railco Africa Limited bought back Grindrod's 42.3% shareholding for US\$14.2 million, which was settled via a distribution of assets. GPR Leasing Africa is a subsidiary of Railco Africa Limited.

9. CONTINGENT LIABILITIES

The Company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R3 083.2 million (December 2023: R3 401.4 million) of which R1 404.5 million (December 2023: R1 696.6 million) had been utilised at period end.

Management is currently in an appeal process with South African Revenue Services around customs VAT on a leased vessel linked to its flagging. Supported by legal and tax advisors, the directors are of the view that the probability of a material liability arising is low.

Cockett Marine South Africa Proprietary Limited, a 50% joint venture to the Group, is currently in legal proceedings with SARS in respect of penalties and customs duties amounting to R350.0 million (at 100%), on fuel exports. Management have repudiated the claims as the Company was neither the exporter on record nor did the company ever claim any rebates or refunds for customs duties from SARS, and as such, SARS need to look to the customer for recovery. Supported by legal advice, the directors are of the view that the probability of a material liability arising is low.

10. CAPITAL EXPENDITURE AND COMMITMENTS

R'million	Capital expenditure	Capital commitments				Split as follows	
	2024	2025	2026	2027	2028	Approved not contracted	Approved and contracted
	787.7	1 438.0	239.7	99.0	99.0	289.8	1 585.9
Port and Terminals	157.4	1 285.6	239.7	99.0	99.0	279.3	1 444.0
Logistics	624.5	152.4	-	-	-	10.5	141.9
Group	5.8	-	-	-	-	-	-
Split as follows:							
Subsidiaries	647.2	1 289.6	99.0	99.0	99.0	10.5	1 576.1
Joint ventures	140.5	148.4	140.7	-	-	279.3	9.8

Total capital expenditure was R787.7 million (December 2023: R1 106.6 million), of which 62% (December 2023: 46%) was expansionary and the balance maintenance or replacement capital expenditure.

11. CASH FLOW AND BORROWINGS

The financial position reflects net debt of R413.5 million (December 2023: R100.6 million). The Group generated operating profit before working capital cash flows of R1 112.1 million (December 2023: R1 455.3 million) during the period. Working capital contributed to a net outflow of R327.7 million (December 2023: R305.0 million).

12. STATEMENT OF FINANCIAL POSITION

With total assets of R14 760.6 million (December 2023: R14 572.1 million) and low gearing, the Group's financial position remains sustainable. Book net asset value per share is 1 366 cents (December 2023: 1 368 cents).

Shareholders' equity decreased to R9 866.7 million (December 2023: R9 878.1 million) in the year. The increase of R109.6 million in the foreign currency translation reserve was due to the weaker closing Rand against the US dollar from R18.56/US\$ in December 2023 to R18.82/US\$ in December 2024.

Ordinary shares in issue remain unchanged from December 2023 at 698 031 586.

13. BASIS OF PREPARATION

The reviewed condensed consolidated 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, contain the information required by IAS 34 Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited and the Companies Act No. 71 of 2008 of South Africa requirements applicable to condensed financial statements.

These reviewed condensed consolidated financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 05 March 2025, on recommendation from the audit committee.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the reviewed condensed consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2023.

Trading profit is generated by the Group's operating activities and comprises revenue net of directly attributable costs and fair value gains and losses on financial instruments. Trading profit is disclosed before expected credit losses, depreciation and amortisation, non-trading items, interest income, interest expense and joint venture and associate equity accounted earnings.

Non-trading items are a non-IFRS measure and consist of items that are usually capital in nature or not of an operational nature. Non-trading items are those items excluded from headline earnings in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2023.

14. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

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, set out on pages 5 to 24, which comprise the condensed consolidated statement of financial position as at 31 December 2024 and the related condensed consolidated income statement, condensed consolidated statements of comprehensive income, condensed consolidated changes in equity and condensed consolidated 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 condensed financial statements, as set out in note 13 to the financial statements, 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 condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial 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 condensed consolidated 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 condensed consolidated 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 condensed consolidated 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 2024 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 13 to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Nqaba Ndiweni
Registered Auditor

Johannesburg, South Africa
05 March 2025

DECLARATION OF DIVIDEND

ORDINARY DIVIDEND

Notice is hereby given that a final gross ordinary dividend of 17.0 cents per share (2023: 38.0 cents per share) has been declared out of income reserves for the year ended 31 December 2024. The final net ordinary dividend is 13.6 cents per share for ordinary shareholders who are not exempt from dividends tax.

As at the date of this announcement, there were 698 031 586 ordinary shares in issue.

PREFERENCE DIVIDEND

Notice is hereby given that a final gross preference dividend of 513.0 cents (2023: 521.0 cents) per cumulative, non-redeemable, non-participating and non-convertible preference share has been declared out of income reserves for the year ended 31 December 2024. The final net preference dividend is 410.4 cents per share for preference shareholders who are not exempt from dividends tax.

As at the date of this announcement, there were 7 400 000 preference shares in issue.

SALIENT DATES

The salient dates for the ordinary dividend and preference dividend are as follows:

Dividends' declaration date	Thursday, 06 March 2025
Last date to trade <i>cum</i> -dividend	Tuesday, 01 April 2025
Ordinary shares and preference shares start trading <i>ex</i> -dividend	Wednesday, 02 April 2025
Record date	Friday, 04 April 2025
Payment date	Monday, 07 April 2025

No dematerialisation or rematerialisation of ordinary shares and preference shares will be allowed during the period Wednesday, 02 April 2025 to Friday, 04 April 2025, both days inclusive.

The local dividend tax rate is 20% and Grindrod's tax reference number is 9435/490/71/0. Both the ordinary dividend and preference dividend are declared in the currency of the Republic of South Africa.

By order of the Board

VB Commaille

Group company secretary

05 March 2025

CHANGE IN DIRECTORATE

Raymond Ndlovu and Andile Khumalo were appointed as independent non-executive directors to the Grindrod board, with effect from 1 November 2024.

XF Mbambo

Chief Executive Officer

05 March 2025

CA Carolus

Chair

05 March 2025

CORPORATE INFORMATION

DIRECTORS

Non-executive directors:

CA Carolus (Chair)
NL Sowazi (Lead Independent Director)
WJ Grindrod
A Khumalo
B Magara
D Malik
RSM Ndlovu
ZP Zatu Moloi

Executive directors:

XF Mbambo (Chief Executive Officer)
FB Ally (Financial Director)

REGISTERED OFFICE

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Durban, 4000
South Africa

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Designated Audit Partner: N Ndiweni CA(SA) RA

SPONSOR

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Registration number: 1966/009846/06, Incorporated in the Republic of South Africa
Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106
("Grindrod" or "the Company" or "the Group")

Statements contained in this announcement regarding the prospects of the Group, have not been reviewed and reported on by the Group's external auditors.

For more information and additional analyst information, please refer to www.grindrod.com.