



(Incorporated in the Republic of South Africa)  
(Registration number 1966/009846/06)  
Share code: GND & GNDP  
ISIN: ZAE000072328 & ZAE 000071106  
("Grindrod" or "the Company")

---

## **VOLUNTARY ANNOUNCEMENT RELATING TO IMPACT OF THE CORONAVIRUS PANDEMIC**

---

### **OVERVIEW**

The Coronavirus (COVID-19) pandemic is impacting all aspects of global society with serious ramifications on the global economy. During the past month, the unprecedented impact on the lives of people and disruption to economies has resulted in extraordinary measures being taken across the world. In southern Africa governments are engaging widely on the appropriate actions to minimise the impact of the pandemic.

As Grindrod, the health and safety of our people takes priority. The management of Grindrod are committed to support the governments of the countries in which we operate, to deliver on their actions, and are working closely with customers, communities, suppliers and key stakeholders to mitigate the impact of COVID-19 and address the long term effects on our business.

### **COLLABORATION WITH GOVERNMENTS, EMPLOYEES AND LOGISTICS SUPPLY CHAIN PARTNERS**

Grindrod established a special task team to monitor the specific requirements and recommendations of governments and their health agencies. This team has developed comprehensive response plans, provides guidance and has implemented the necessary actions focused on ensuring the health and safety of our employees. Regular engagement with our supply chain partners enables the businesses to respond to clarification from the regions on essential trade. Daily meetings with senior management ensure the co-ordination of these business-critical decisions.

## PERFORMANCE

The first quarter of 2020 across the majority of the Group's businesses was strong with little impact on shipments of commodities to China and only marginal impact in the container business on inbound shipments from the East. The lockdown in South Africa impacts most of the businesses in South Africa and in Maputo as trade flows either cease or are severely restricted.

The Group's Port and Terminals businesses expect revenue to decline during April as a result of the lockdown in South Africa and closure of the border with Mozambique. The extent of the impact will depend on the duration of the closure of the South African mineral businesses and the flow of mineral cargo through the Mozambique border. Early indications reveal that the government may allow some dispensation for the mines to continue operating under strict conditions once they have secured the necessary approvals. This may mitigate impact on our Port and Terminals.

Grindrod's Container businesses are assisting with essential cargoes. Containers with non-essential cargo are evacuated to depots for later delivery. Container berths across the South African ports have been significantly reduced and therefore the businesses are operating well below optimal levels.

The northern Mozambique business continues to provide essential logistics supplies to the Palma region. The Carrier businesses have ceased operating with minimal requirement for fuel transportation.

The North- South Corridor is currently limited to essential cross-border traffic. The Rail business will consequently see a reduction in earnings.

Grindrod Bank, together with the banking industry, are playing a critical role with relief measures in response to the increase in customer requests for loan restructures or temporary relief.

## CASH PRESERVATION AND BALANCE SHEET MANAGEMENT

Grindrod is deploying its available cash on priorities during this time. Identified non-essential cost items, and projects are being deferred. The impact of lockdown on Grindrod's liquidity outlook is assessed continuously. Offshore cash is being repatriated into South Africa and banks engaged to secure additional headroom in the event of a prolonged period of low

revenue. Grindrod Bank has sufficient headroom on its liquidity cover and capital adequacy ratios, and these metrics are being monitored closely.

## CONCLUSION

The situation is fluid and Grindrod is organised in a manner to respond quickly to changes in the circumstances. We will update you on the impacts the pandemic will have on our business via the Stock Exchange News Service (“SENS”) platform in terms of the JSE Listings Requirements and our website – [www.Grindrod.com](http://www.Grindrod.com). We look forward to emerging from this period stronger and with emboldened commitment to enable trade corridors to restore the economy as expeditiously as possible.

Any forecast financial information contained herein has not been reviewed or audited by the Group’s external auditors.

Durban

6 April 2020

Sponsor

Nedbank Corporate and Investment Banking