



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

TRADING STATEMENT

Grindrod's performance was resilient in the first half of the year to 30 June 2020 with trading profit marginally up on the first half of the prior year ("the prior period").

Cash generated from operations exceeded R500 million, well up on the prior year. Additional banking facilities advanced of R450 million remain available and unutilised. The balance sheet continues to be strong with net debt to equity of 5%.

Port and Terminals reported good volumes through the Maputo Port and Matola Terminal. The Seafreight business and its landside container operation achieved earnings growth underpinned by its increased port activities. Grindrod's presence in the northern Mozambique gas region gained momentum with four barges now on charter. Continued effort in aligning all parties on the North-South corridor remained a focus with deployment of locomotives and wagons now also on the Dar es Salaam corridor.

Grindrod Bank continues to operate cautiously during this time ensuring that its liquidity cover and capital adequacy ratios remain above minimum regulatory requirements.

Whilst the core business remained buoyant, COVID-19 specific actions resulted in once off adjustments. These included dividend withholdings tax of R31.6 million on repatriation of undistributed profits of US\$27.9 million from Mozambique and fair value adjustments on the private equity portfolio of R270.2 million. A R90 million mark to market adjustment was also required on the Grindrod Shipping shares held.

As a result, Grindrod expects the headline loss to be between R247 million to R217 million and the headline loss per share to be between 36.4 cents and 32.0 cents for the six months ended 30 June

2020, representing a decrease in headline loss and headline loss per share of between 104% and 80%. Headline loss and headline loss per share for the prior period were R121.1 million and 17.8 cents respectively.

The loss is expected to be between R316 million and R286 million and loss per share of between 46.6 cents and 42.2 cents for the six months ended 30 June 2020, representing an increase in loss and loss per share of between 38% and 44%. The loss and loss per share for the prior period were R512.6 million and 75.3 cents respectively.

Grindrod will release its results for the six month period ended 30 June 2020 on the Stock Exchange News Service on or about Thursday, 27th August 2020.

The information contained in this trading statement has not been reviewed nor reported on by the Company's external auditors.

By order of the board
19 August 2020

Sponsor: Nedbank Corporate and Investment Banking