

Grindrod Limited
Incorporated in the Republic of South Africa
(Registration number 1966/009846/06)
Ordinary share code: GND and ISIN: ZAE000072328
Preference share code: GNDP and ISIN: ZAE000071106
("Grindrod" or "the Group")

DISPOSAL OF GRINDROD'S UK REAL ESTATE INVESTMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Grindrod shareholders are advised that Grindrod, via its wholly-owned subsidiary, Grindrod Property Private Equity Proprietary Limited ("GPPE") has entered into an agreement ("Agreement") with Gripon Limited ("Gripon") on 3 September 2021, in terms of which Gripon will acquire GPPE's entire shareholding in Select Industrial Real Estate UK Fund Limited ("SIRE") for a cash consideration of £17.391 million (seventeen million three hundred and ninety one thousand pounds sterling) ("Purchase Consideration") ("Disposal").

2. Terms and conditions of the Disposal

2.1. Purchase Consideration

The Purchase Consideration (in pounds sterling) is payable to GPPE as follows:

- £4.497 million (four million four hundred and ninety seven thousand pounds sterling) on fulfilment of the condition's precedent to the Agreement;
- £2 million (two million pounds sterling) due 12 (twelve) months post the fulfilment of the condition's precedent to the Agreement;
- £5.172 million (five million one hundred and seventy two thousand pounds sterling) due 30 (thirty) months post the fulfilment of the condition's precedent to the Agreement; and
- £5.722 million (five million seven hundred and twenty two thousand pounds sterling) due 36 (thirty six) months post the fulfilment of the condition's precedent to the Agreement ("Last Instalment").

In addition to the Purchase Consideration, any excess cash in SIRE will be distributed to the SIRE shareholders prior to the Disposal and GPPE estimates its portion of such cash to be c. £1.7 million (one million seven hundred thousand pounds sterling), before any transaction costs.

Interest at 1.5% (one point five percent) per annum (nominal annual compounding quarterly) will accrue on any outstanding portion of the Purchase Consideration starting 13 (thirteen) months post the fulfilment of the condition precedent to the Agreement and payable with the Last Instalment.

2.2. Condition Precedent

The Disposal is subject to approval from the Financial Surveillance Department of the South African Reserve Bank.

The Agreement contains representations and warranties between the parties which are considered standard for a transaction of this nature.

2.3. Effective date

The effective date of the Disposal will be 10 business days after fulfilment of the condition precedent or such other date as the parties may agree in writing.

3. Rationale for the Disposal and use of Disposal proceeds

Grindrod has communicated its commitment to reduce its private equity portfolios and property exposures in a practical and organised manner in order to ensure that the approach adopted to dispose of non-core investments results in improved shareholder returns in the long-term and the efficient allocation of capital.

Grindrod believes that the Disposal is the most efficient manner in realising its value in terms of its UK real estate investment as Gripon is SIRE's existing partner in the underlying UK property investments resulting in a reduced timeline to conclude a cross border transaction and eliminating the need for GPPE to provide any further capital.

The proceeds from the Disposal will be utilised to reduce the debt of the Group.

4. Nature of the business of SIRE

SIRE is a Jersey based investment holding company owning real estate investments in the UK. The primary focus of SIRE is to invest in entities that buy, develop and hold institutional grade logistics properties in the UK with a secondary focus on UK residential development opportunities.

The controlling shareholder of SIRE is GPPE, a South African based property private equity company invested in industrial, commercial and retail property assets. GPPE is 100% owned by GFS Holdings Proprietary Limited ("GFSH"), a South African based investment holding and operating company. GFSH, in turn, is 100% owned by Grindrod.

5. Financial information

The value of the net assets of SIRE as at 30 June 2021 amounted to £31.966 million and the amount attributable to GPPE was £29.406 million. The profit reported for the six months to 30 June 2021 amounted to £0.748 million and the profit amount attributable to GPPE was £0.673 million.

The Financial Information has been extracted from SIRE's unaudited results for the six months ended 30 June 2021 prepared in accordance with UK GAAP.

6. Categorisation of the Disposal in terms of the JSE Listings Requirements

The Disposal based on the exchange rate as at 3 September 2021 of 1 GBP = 19.8381 ZAR is classified as a Category 2 transaction for Grindrod, which requires an announcement.

7. Withdrawal of cautionary announcement

Shareholders are advised that the cautionary announcement released on SENS on 17 August 2021 is hereby withdrawn. Accordingly, shareholders are no longer required to exercise caution when dealing in Grindrod's securities.

Durban

6 September 2021

Investment Bank, Corporate Advisor and Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited