



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

BUSINESS REVIEW AND TRADING STATEMENT UPDATE

BUSINESS REVIEW

Grindrod delivered good earnings growth in its core businesses for the six months ended 30 June 2022 ("current period") underpinned by strong mineral commodity markets and Grindrod Bank continued to perform well on the back of favourable net interest margins.

Core

Port and Terminals

Port and Terminals achieved earnings growth of more than 100 percent on the prior six months ended 30 June 2021 ("prior period") due to an increase in volumes handled.

Maputo Port volumes grew by 30 percent to 12.3 million tonnes compared to the prior period. The port has commissioned its upgraded berth infrastructure consisting of 6 berths, increasing its berth capacity from 24.5 million tonnes in 2018 to 36.4 million tonnes. The port has spent a total of US\$110.3 million (at 100 percent) to date in its chrome and ferro-chrome slab capacity expansion, rail offloading facility construction, port road infrastructure upgrade and berth rehabilitation including the berth pocket dredge.

Grindrod's dry-bulk terminals grew volumes handled by 52 percent compared to the prior period despite disruptive weather challenges, frequent power outages, fire damaged conveyor belt infrastructure in Richards Bay and a loss of 20 vessel loading days in Matola due to its berth infrastructure incident. The Matola terminal grew its volumes by 24 percent to 3.8 million tonnes compared to the prior period. The Maputo terminal grew its volume throughput capacity by 25 percent to 3.0 million tonnes and handled 1.3 million tonnes in the current period compared to the 41 thousand tonnes in the prior period. Volumes handled in Richards Bay grew 28 percent.

Grindrod's Maputo Car Terminal volumes grew 35 percent against the prior period because of increased transshipments and higher domestic demand for the secondhand vehicles. The facility continues to benefit from project cargo storage.

Logistics

Grindrod's coastal shipping and container depot businesses performed well under the challenging operational environment. All of its container depot facilities in Durban were impacted by severe floods in April 2022 resulting in damages to the infrastructure at the carrying value of R51.4 million, which has been impaired. Interim asset insurance claim proceeds of R100.0 million were recorded. This will be used to replace damaged equipment and the

infrastructure.

The 75 000m² container park development project in Denver, Johannesburg, is gaining momentum and is on track to be completed in the second half of the year. We have spent R118.4 million to date. This facility is central to the solution we provide to shipping line customers serving the hinterland.

The Northern Mozambique graphite operations and the Clearing and Forwarding business delivered solid results for the current period. Grindrod's rail business showed an improvement in locomotive deployment.

Bank

Grindrod Bank reported healthy growth in its earnings from the prior period underpinned by the higher interest rate environment. Grindrod Bank's liquidity surplus at the end of June 2022 was R6.0 billion. This surplus liquidity is achieving good yields under the current higher interest earning environment resulting in no negative carry. Grindrod Bank maintained a stable lending book of R8.3 billion and achieved deposit book growth of 4 percent, to R11.7 billion, compared to December 2021. Grindrod Bank's capital adequacy ratio is in line with compliance requirements and its credit loss ratio at 48 bps is below the levels of 2021.

Non-core

Marine Fuels

Marine Fuels earnings were up from the prior period due to the strong oil market. Management continues to work with the Marine Fuels management and co-shareholder to exit this investment.

Private Equity portfolio

The private equity portfolio exit is largely complete with only one significant asset remaining. Disposal proceeds of R152.1 million realised during the current period were applied to settle private equity debt.

KwaZulu-Natal north coast property loans

Management continues to explore various options to recover the significant loans advanced to the KwaZulu-Natal north coast property owners.

Corporate transactions

In early April 2022 the fuel carrier fleet in Botswana was disposed of at its net carrying value marking the completion of Grindrod's exit from the fuel and automotive carrier transportation businesses.

The joint venture transaction between Maersk Logistics and Services operations with certain of Grindrod's container depots and its coastal shipping business was approved by the Competition Commission on 24 May 2022. The remaining conditions precedent relating to implementation steps are being executed.

The disposal of Grindrod Bank to African Bank for R1.5 billion is ongoing, with all parties focused on fulfilling the conditions precedent.

Conclusion

Grindrod continues to drive its strategy of delivering efficient and cost-effective logistics solutions to its existing and

potential new customers. In support of these solutions Grindrod will invest in the required infrastructure. Grindrod Bank focuses on delivering on its core business, expanding its SME offering and providing a compelling platform banking solution to its customers.

TRADING STATEMENT UPDATE

Shareholders are referred to the trading statement published by the Company on SENS on 28 June 2022, wherein the Company advised that earnings per share and headline earnings per share for the six months ended 30 June 2022 were both expected to improve by at least 100%, compared to the loss per share of 63.1 cents and headline earnings per share of 0.7 cents for the prior period.

Further to the abovementioned trading statement, shareholders of Grindrod are hereby advised that the results for the current period are expected to be as follows:

	Six months to 30 June 2022 Range	Six months to 30 June 2021 Reported	Range represents:
Headline earnings	R389 million and R 419 million	R 4 million	Increase of between 9 625 percent and 10 375 percent
Earnings/(loss)	R 370 million and R 400 million	R (424) million	Increase of between 187 percent and 194 percent
Headline earnings per share	58.3 cents and 62.8 cents	0.7 cents	Increase of between 8 229 percent and 8 871 percent
Earnings/(loss) per share	55.5 cents and 60.0 cents	(63.1) cents	Increase of between 188 percent and 195 percent
Core headline earnings*	R 514 million and R 544 million	R 345 million	Increase of between 49 percent and 58 percent

* Core headline earnings constitute Port and Terminals, Logistics, Bank and Group.

Shareholders are advised that Grindrod will release its results for the current period on the JSE's Stock Exchange News Service on or about Friday, 26 August 2022.

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

By order of the Board

18 August 2022

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited