

REPORT OF THE CHIEF EXECUTIVE OFFICER



Our strong performance validates our strategic decision to move forward with divesting from identified non-core assets and focusing on realigning our key freight services and bank operations.

Our freight volumes have remained strong, driven mainly by robust global mineral demand and the high citrus yields delivered by good rains. With the help of our strong customer relationships, we managed to overcome several logistical challenges in the year.

Grindrod Bank achieved pleasing financial results by building on the solid foundation laid in recent years. The SARB's 25 basis point increase to the key lending rate in November, coupled with the likelihood of further increases in 2022, should support Grindrod Bank's performance fundamentals in the short to medium term.

Port and Terminals

Overall, Port and Terminals reported robust earnings growth of 70 percent on 2020, comfortably surpassing its pre-COVID-19 performance level. Maputo port volumes handled grew 21 percent to a record 22.3 million tonnes, compared to the prior year.

The berth rehabilitation expanded footprint and dedicated rail siding capital projects are now complete, with the dredge of the quayside having commenced. The Matola drybulk terminal handled a record 8.3 million tonnes, up 50 percent on the prior year and reported a monthly record volume of one million tonnes in September 2021.

The focus at Port and Terminals is to deliver efficient and cost-effective customer solutions by regularly seeking alternative and additional logistics routes to market for the customer's cargo. This is in addition to continually harnessing our existing routes via Matola, Maputo, Durban, Richards Bay and Walvis Bay, and relentlessly engaging our key stakeholders to ensure sustained relevance.

Logistics

The coastal shipping and container depot business achieved earnings growth of 33 percent, with the remaining logistics businesses delivering consistent performance for the year.

During November 2021, Grindrod announced a joint venture with Maersk, wherein the logistics activities of Grindrod's Intermodal business will complement the current Maersk operations, the execution of which is subject to various conditions.

The clearing and forwarding business delivered solid results and secured extension of key customer contracts during the year.

During 2021, Grindrod's activities relating to the liquefied natural gas project in Northern Mozambique ceased, due to the security issues in the Cabo Delgado province, which necessitated impairments and provisioning of R78.2 million.

The impact of this indefinite stoppage was mitigated by the resumption of the graphite logistics business in Nacala.

The Rail business redeployed eight of its 10 locomotives at Sierra Leone's Tonkolili iron ore mine following its reopening and successfully completed the disposal of four locomotives for US\$11.3 million (Grindrod's share is US\$4.8 million) to Uganda Rail.

The disposal of the car carrier business is complete, and the disposal of the fuel carrier businesses has progressed. This process has necessitated the impairment of goodwill and assets of R266.6 million in the current year.

Bank

Grindrod Bank's earnings improved by 157 percent from the prior year, despite remaining cautious in its lending activities and retaining surplus liquidity in excess of R5 billion as at 31 December 2021. The Bank's lending and core deposit books increased by 5 percent and 20 percent to R8.3 billion and R10.3 billion respectively, from December 2020. During the year, Grindrod Bank concluded an agreement with Shoprite Checkers as a key new platform partner. Grindrod Bank recommenced the project to raise further capital to enable growth and enhance returns.

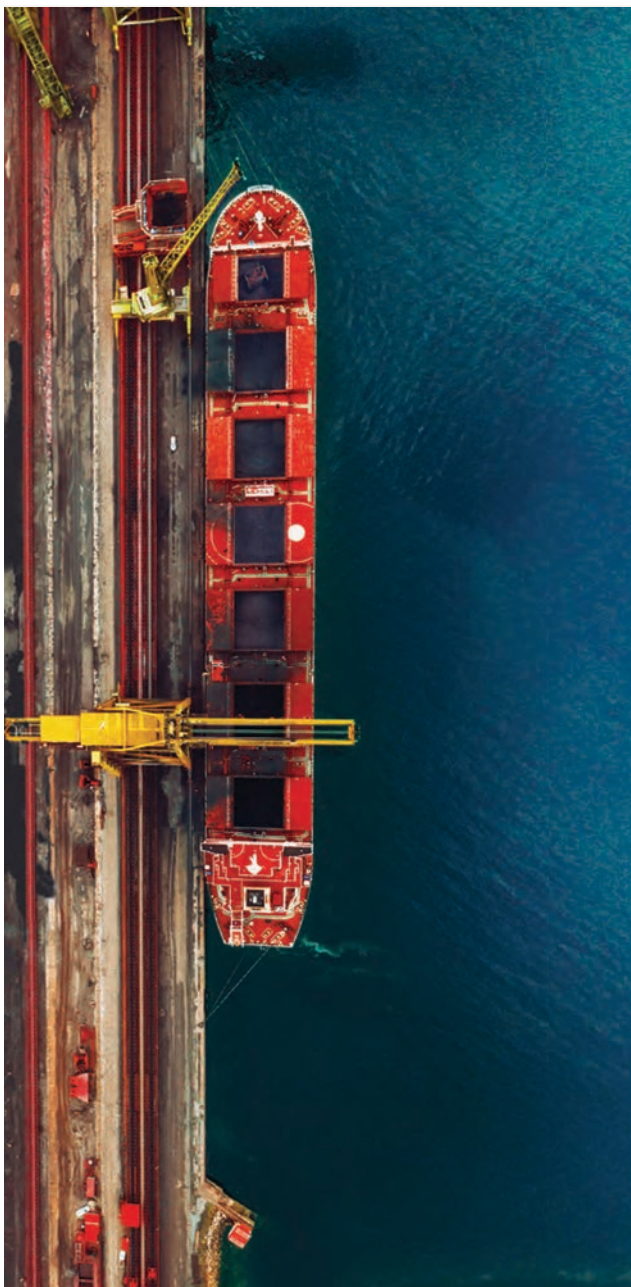
Non-core businesses

The Private Equity portfolio now consists of only two significant investments. The disposal of the offshore real estate investment was concluded during November 2021 for £17.4 million in addition to several smaller investments. The strategy is to exit the remaining two investments at the right valuations. Disposal proceeds of R311.7 million have been received in the current year. Results include impairments and fair value losses on the private and property equity portfolio of R318.7 million. The carrying value of these investments, after impairments and fair value losses, is R622.0 million.

Progress has been made by the various owners of the KwaZulu-Natal north coast properties. Management continues to work with the principals to manage this exposure and settle the loans. Current year results include impairment reversals and fair value gains of R166.8 million.

The marine fuels business generated earnings of R40.0 million in the current year. Management continues to work with the marine fuels management and co-shareholder in order to exit this investment.

REPORT OF THE CHIEF EXECUTIVE OFFICER continued



Sustaining our success through a purpose-led strategy

Grindrod's strong performance during 2021 is proof that clear purpose and robust strategy are arguably the two most effective defences against external pressures and influences. Our recently revised and enhanced strategies implemented across our freight services and banking businesses were critical in ensuring that the Group could deliver attractive solutions over the past two years. Freight Services has remained steadfastly focused on its customer solutions-driven strategy, ensuring efficient and cost-effective cargo flows. This strategy is driven by a clear purpose: to make a positive difference in Africa's trade with the world while strengthening the well-being of the communities in which we operate.

Importantly, our Group-wide strategy is already delivering positive results, as evidenced by the strong performance of our terminals in 2021. Our Matola Terminal in Mozambique twice set new records for freight handling volumes during the year. Our container and seafreight businesses also achieved notable successes over the period, far exceeding their revenue targets.

The Bank focused on building its SME value proposition, digitising its offerings and developing its platform banking model all with the ultimate goal of delivering on its purpose to become the preferred provider of targeted financial services based on strong customer relationships. Grindrod Bank achieved strong capital and liquidity positions.

Outstanding people and culture

While clarity of purpose and a robust and comprehensive strategy are invaluable ingredients of Grindrod's long-term success as a business, neither of these on their own is capable of taking our business forward. That requires the efforts of innovative, talented and passionate people, which our Group is privileged to have in abundance. For many of these employees, the past two years have been challenging on all fronts.

Most employees in other businesses around the world could take advantage of the relative safety of work-from-home arrangements, but the nature of Grindrod's business is such that many of our staff members, particularly in

the freight services business, were required to still be on site. It has been their commitment to our business that has ensured that they have turned up and delivered every day. Their contribution to our 2021 performance and ongoing sustainability cannot be overemphasised.

The year ahead

We are saddened by the human cost of the conflict in Ukraine, which will also have a ripple effect on global markets. This is especially constraining coming out of the impacts of the pandemic. The IMF had projected a global growth of 4.4 percent for 2022 (2021: 5.9 percent). Whilst South Africa's trade links with Russia are relatively limited (0.4 percent of total exports and 0.7 percent of total imports in 2021), there will be an adverse impact on container markets, and on Africa's food supply. Citrus producers and fruit exporters are especially susceptible to a downturn. Global inflation, higher food and fuel prices impact on cost-push pressures, resulting in secondary price effects. This being said, there may be economic benefits where African countries fill the breach in the supply of natural gas and minerals. Grindrod will step up to play our part to assist with food and fuel security.

Gratitude

My heartfelt thanks to my executive teams, managers and all Grindrod employees for your unwavering commitment to our Group and our customers over the past year, and to our Board members, my gratitude for your invaluable guidance and consistent support.

Finally, I extend a personal thank you to our outgoing chairman, Mike Hankinson, whose vast experience and knowledge has added immense value to our business over the past years. Mike has been the embodiment of a hands-on, always informed and available Chair. Your passion for our businesses, dedication and commitment will be sorely missed. We wish you well in whatever endeavours your next chapter brings.

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Andrew Waller
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Chief Executive Officer

8 April 2022