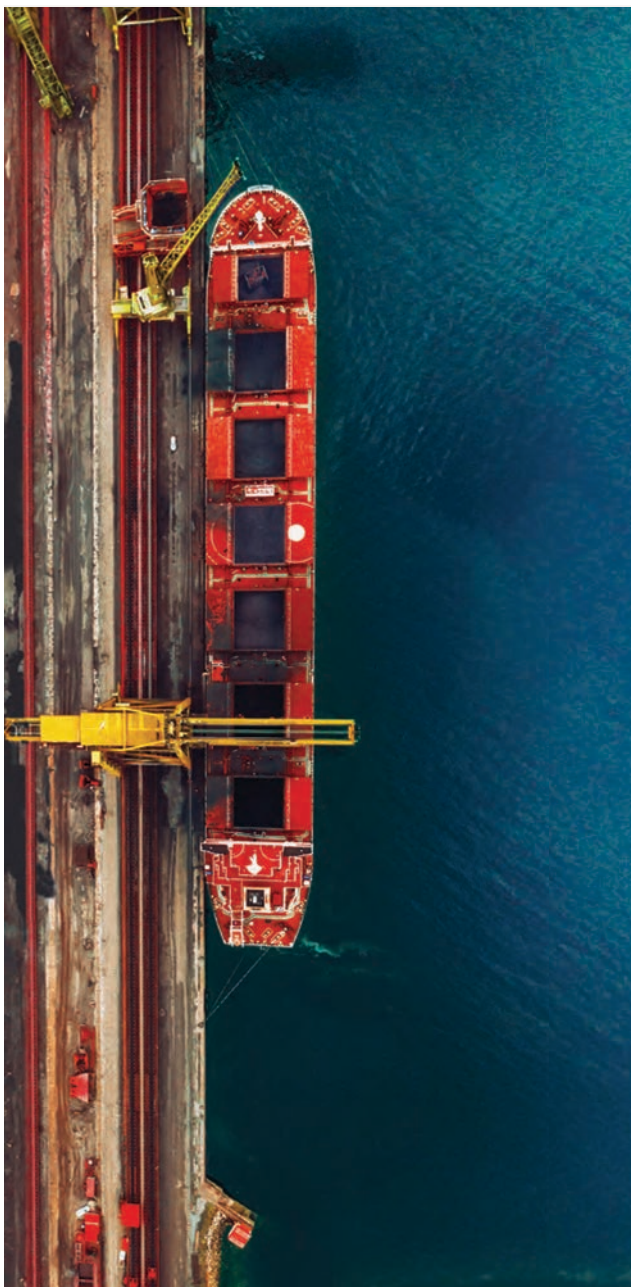


REPORT OF THE CHIEF EXECUTIVE OFFICER continued



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.

My heartfelt thanks to my executive team, 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.

Andrew Waller
Andrew Waller

Chief Executive Officer

8 April 2022

STRATEGIC REVIEW

FREIGHT SERVICES Freight Services and Bank are Grindrod's two core divisions, each with its own strategy.

Grindrod Freight Services unveiled a new strategy in 2021. Our purpose drives our strategy to provide customer solutions for an efficient and cost-effective cargo flow.

OUR PURPOSE

To make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate.

Our purpose is two-pronged.

- We recognise Africa's trade potential with international markets. We are a proudly African company that is well-positioned to bring African products to the world and vice versa, for the good of the continent.
- Community inclusiveness is embedded in our strategy – not only to maintain our social licence to operate and thereby our viability as a business, but because we value people.

Our purpose influences **everything** we do.

PROVIDE CUSTOMER SOLUTIONS FOR AN EFFICIENT AND COST-EFFECTIVE CARGO FLOW

CUSTOMER

Focus areas

- Customer-focused solutions.
- Customer satisfaction.
- Customer growth and retention.

At Grindrod, care is taken and time is invested in understanding the specific needs of each of our Customers. We utilise our vast experience, infrastructure, footprint and access to trade corridors to provide our Customers with innovative, efficient and cost-effective cargo flow solutions with an unyielding drive to exceed expectations.

MARKET DIFFERENTIATION

Focus areas

- Efficient and cost-effective customer solutions.
- Operational efficiencies.
- Strategic assets.
- Market insight.
- Agility.

We are differentiated by our strategic assets, institutional knowledge, divergent thinking and agility. With our extensive experience in Africa, and in connecting Africa to the World, Grindrod consistently provides our Customers with bespoke, innovative, efficient and cost-effective end-to-end logistics solutions, with unparalleled execution.

OUR PEOPLE & COMMUNITIES

Focus areas

- A sustainable and high-performance corporate culture driven by a united purpose.
- Training, development and transformation.
- Community inclusiveness and engagement with direct CSI interventions.
- Creation of business opportunities/enterprise development.

Our employees live our values and form winning teams that deliver on our purpose. Our purpose reflects our belief in community inclusiveness, the creation of local employment opportunities and enterprise development with direct community upliftment projects that focus on education and local procurement.

REVENUE GROWTH

Focus areas

- Value adding partnerships.
- Acquisitions.

Providing innovative, efficient and cost-effective Customer solutions with disciplined balance sheet management to ensure sustainable revenue growth. Value-adding commercial relationships, collaboration and partnerships across the supply chain, the establishment of pioneering new businesses and processes, coupled with augmenting acquisitions to consistently meet and exceed Customer expectations, drives sustainable growth.

OPERATIONAL EXCELLENCE

Focus areas

- Operational metrics.
- ISO certification.
- Operational system and process modernisation.
- Compliance with equipment maintenance scheduling.
- Asset replacement.
- Automation.

Grindrod seeks both organic and inorganic growth by implementing revenue-enhancing brownfield and greenfield projects and exploring value-adding acquisitions and adjacencies. Collaboration and partnership across the value chain also enhances revenue growth.

SHAREHOLDER VALUE

Focus areas

- Free cash flow.
- Return on equity.
- Dividends.

Shareholder value is an outcome of the other five pillars. It signifies our commitment to creating shareholder value through earnings growth, cash generation, appropriate return on investment and enhanced sustainability.