

GRINDROD LIMITED PROVISIONAL REVIEWED RESULTS AND DIVIDEND ANNOUNCEMENT

for the year ended 31 December 2021



Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

OPERATIONAL HIGHLIGHTS

Record volumes of

^ 8.3 million

tonnes handled at
Matola drybulk terminal

Port volumes up

^ 21%

to a record 22.3
million tonnes

Earnings grew by

^ 33%

for coastal shipping and
container depot business

Redeployment of

8 locomotives

in Sierra Leone,
4 locomotives sold
to Uganda Rail

Earnings growth of

^ 157%

in Grindrod Bank,
with surplus liquidity
in excess of R5.0 billion

Proceeds received

R1.0 billion

on the disposal of
investments

FINANCIAL HIGHLIGHTS

Revenue from core operations* at

^ R5.2 billion

(2020: R4.7 billion), up
9% on the prior year

Trading profit* of

^ R1.8 billion

(2020: R1.4 billion), from
core operations, up 32%
on the prior year

Headline earnings from core operations*

^ 166%

to R886.5 million
(2020: R333.1 million)

Cash generated from operations of

^ R1.0 billion

(2020: R0.9 billion), up
20% on the prior year

Net asset value per share of

^ 1 176 cents

(2020: 1 075 cents)

Final ordinary dividend of

^ 20.1 cents

(2020: nil cents)

Net debt of equity ratio, excluding Grindrod Bank

26%

(2020: 38%)

* Inclusive of joint ventures.



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BUSINESS REVIEW

Grindrod achieved a commendable performance in its core businesses for the year ended 31 December 2021 underpinned by record mineral volumes handled at its Port and Terminals operations and strong performance from the coastal shipping and container depot business. Grindrod Bank performed well as it continued its focus on quality lending and maintaining healthy capital and liquidity ratios.

Port and Terminals

An efficient and cost-effective customer solutions focus, the operational excellence drive and rail allocation improvement into Matola drybulk terminal yielded positive results in the second half of the year. Overall, Port and Terminals reported robust earnings growth of 70% on 2020, comfortably surpassing its pre-COVID-19 performance level.

Maputo port volumes handled grew 21% 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% 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, Richards Bay, Durban 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%, with the remaining 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 the extension of key customer contracts during the year.

During 2021, Grindrod's activities relating to the liquified natural gas project in Northern Mozambique ceased, due to the insurgency 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 ten 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.

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

Bank

Grindrod Bank's earnings improved by 157% 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% and 20% 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.

Group and other

Grindrod successfully sold its Grindrod Shipping shares, generating proceeds of R338.1 million. A fair value gain of R238.2 million has been recorded in the current year.

Balance sheet, cashflow and debt

The Group generated positive cash from operations of R1 039.0 million (2020: R871.1 million) up 19% on the prior year. The net debt to equity ratio, excluding Grindrod Bank, is 26% (2020: 38%) as at 31 December 2021. In addition, share buy backs of R29.9 million were completed.

Non-core operations

Private equity portfolio

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.

KwaZulu-Natal north coast property loans

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.

Marine Fuels and Agricultural Logistics

As previously report, the sale of shares held in Senwes was executed for R376.0 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.

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CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Revenue	3 904 984	3 751 156
Trading profit before expected credit loss and depreciation and amortisation*	1 073 778	546 868
Expected credit loss**	(12 060)	(213 283)
Depreciation and amortisation	(488 109)	(526 299)
Operating profit / (loss) before interest, taxation and non-trading items	573 609	(192 714)
Non-trading items	(401 134)	(194 479)
Interest received	99 933	116 488
Interest paid	(226 432)	(326 292)
Profit / (loss) before share of joint venture and associate companies' profit	45 976	(596 997)
Share of joint venture companies' profit after taxation	287 719	285 303
Share of associate companies' profit after taxation	19 169	20 439
Profit / (loss) before taxation	352 864	(291 255)
Taxation	(101 711)	(119 828)
Profit / (loss) for the year	251 153	(411 083)
Attributable to:		
Ordinary shareholders	175 578	(415 219)
Preference shareholders	45 780	51 244
Owners of the parent	221 358	(363 975)
Non-controlling interests	29 795	(47 108)
	251 153	(411 083)
Basic earnings / (loss) per share:	(cents)	26.2 (61.4)
Diluted earnings / (loss) per share	(cents)	26.2 (61.4)

* Current period trading profit includes R33.0 million net fair value losses (2020: R405.4 million) relating to the private equity and property and Grindrod Shipping shares.

** Current period include impairment reversals of R86.8 million (2020: R86.8 million impairment) relating to the private equity and property.

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HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Reconciliation of headline earnings / (loss)		
Profit / (loss) attributable to ordinary shareholders	175 578	(415 219)
Adjusted for:	442 788	247 101
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	57 730	7 751
Impairment of investments in joint ventures*	-	99 439
Loss on re-measurement to fair value less costs to sell	240 066	65 024
Impairment of goodwill*	24 840	82 010
Net loss on disposal of investments	136 114	9 835
Net profit on disposal of plant, terminals, machinery, vehicles and equipment	(311)	(51 330)
Gain on bargain purchase	(6 769)	(10 462)
Foreign currency translation reserve release	(50 536)	(7 804)
Joint ventures and associates:		
Net profit on disposal of intangibles, property, terminals, machinery, vehicles and equipment	(58)	(2 062)
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	48 440	42 056
Total taxation effects of adjustments	(6 728)	12 644
Headline earnings / (loss)	618 366	(168 118)
Ordinary share performance		
Number of shares in issue less treasury shares (000s)	666 528	671 526
Weighted average number of shares (basic) (000s)	670 933	676 640
Diluted weighted average number of shares (000s)	670 933	676 640
Basic headline earnings / (loss) per share: (cents)	92.2	(24.8)
Diluted headline earnings / (loss) per share (cents)	92.2	(24.8)
Dividends per share - interim (cents)	-	-
Dividends per share - final (cents)	20.1	-
Dividend cover (headline) (times)	4.6	-

* The investment in joint ventures and goodwill was impaired based on recoverable amount which was assessed using value-in-use.

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Profit / (loss) for the year	251 153	(411 083)
Other comprehensive income / (loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	377 761	151 413
Items that will not be subsequently reclassified to profit or loss		
Actuarial gains / (losses)*	6 831	(25 896)
Fair value gain arising on financial instruments*	3 001	4 407
Total comprehensive income / (loss) for the year	638 746	(281 159)
Total comprehensive income / (loss) attributable to:		
Owners of the parent	607 227	(238 553)
Non-controlling interests	31 519	(42 606)
	638 746	(281 159)

* Net of taxation.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Property, terminals, machinery, vehicles, equipment	1 738 159	1 951 368
Right of use assets	1 054 609	844 644
Goodwill and intangible assets	507 793	677 057
Investments in joint ventures	3 058 527	2 771 627
Investments in associates	145 941	113 987
Investment property	86 168	91 617
Other investments	1 097 668	1 989 910
Deferred taxation	186 978	151 561
Long-term negotiable securities	312 958	185 232
Loans and advances	7 029 849	4 804 042
Long-term receivable	202 099	-
Total non-current assets	15 420 749	13 581 045
Liquid assets and short-term negotiable securities	3 623 026	2 284 018
Current portion of loans and advances	2 507 462	4 129 176
Current portion of long-term receivable	43 115	-
Inventories	66 639	93 092
Trade and other receivables	1 347 191	1 273 663
Taxation	20 696	29 771
Bank balances and cash	2 057 642	1 846 811
Total current assets	9 665 771	9 656 531
Non-current assets held for sale	65 000	367 034
Total assets	25 151 520	23 604 610

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Share capital and premium	3 928 711	3 950 427
Non-distributable reserves	1 885 547	1 535 732
Accumulated profit	2 808 394	2 622 984
Equity attributable to owners of the Company	8 622 652	8 109 143
Non-controlling interests	(44 704)	(150 134)
Total equity	8 577 948	7 959 009
Long-term borrowings	610 853	341 490
Lease liabilities	797 026	703 071
Long-term Bank and private equity funding	543 361	386 764
Derivative financial liabilities	24 277	73 046
Deferred taxation	57 450	63 397
Provision for post-retirement medical aid	21 816	21 039
Deposits from Bank customers	239 720	234 276
Provisions	11 670	14 143
Total non-current liabilities	2 306 173	1 837 226
Trade and other payables	1 310 696	1 440 209
Current portion of long-term borrowings	146 366	103 901
Current portion of lease liabilities	249 284	264 792
Current portion of Bank and private equity funding	908 778	1 345 601
Current portion of deposits from Bank customers	10 981 413	9 199 405
Short-term borrowings and bank overdraft	603 491	1 352 764
Taxation payable	67 371	101 703
Total current liabilities	14 267 399	13 808 375
Total equity and liabilities	25 151 520	23 604 610

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Operating profit / (loss) before interest and taxation	573 609	(192 714)
Non-cash adjustments	498 998	1 100 144
Operating profit before working capital changes	1 072 607	907 430
Working capital changes	(33 328)	(36 371)
Cash generated from operations	1 039 279	871 059
Net interest paid	(171 766)	(223 348)
Net dividends received	197 782	217 790
Taxation paid	(175 915)	(196 503)
	889 380	668 998
Other operating cash flows from Bank		
Net deposits from / (advances to) customers and other short-term negotiable securities	106 686	(2 443 688)
Net cash flows from operating activities	996 066	(1 774 690)
Net movement in acquisition of property, terminals, machinery, vehicles and equipment	(392 998)	(145 916)
Net movement on disposal / (acquisition) of investments, subsidiaries, and businesses	594 852	(47 030)
Net movement on disposal of non-current assets held for sale	44 034	-
Funds received from / (advanced to) joint ventures and associate companies	16 150	(83 129)
Net cash flows from investing activities	262 038	(276 075)
Acquisition of treasury shares	(29 922)	(45 442)
Acquisition of non-controlling interest	(25 224)	(74 161)
Borrowings raised	821 330	305 896
Borrowings repaid	(1 468 554)	(1 018 695)
Net cash flows from financing activities	(702 370)	(832 402)
Net increase / (decrease) in cash and cash equivalents	555 734	(2 883 167)
Cash and cash equivalents at the beginning of the year	943 955	3 758 759
Difference arising on translation	18 331	68 363
Cash and cash equivalents at the end of the year*	1 518 020	943 955

* Cash and cash equivalents is net of the Bank balances and cash balance of R2.1 billion (2020: R1.8 billion) and the Overdraft balance of R539.6 million (Dec 2020: R902.9 million).

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Ordinary and preference share capital and share premium	3 928 711	3 950 427
Balance at the beginning of the year	3 950 427	3 982 066
Share options vested	8 206	13 803
Treasury shares acquired	(29 922)	(45 442)
Equity compensation reserve	43 597	47 857
Balance at beginning of the year	47 857	56 471
Share-based payments	3 946	5 189
Share options vested	(8 206)	(13 803)
Foreign currency translation reserve	1 927 156	1 598 738
Balance at the beginning of the year	1 598 738	1 455 229
Foreign currency translation realised	(50 536)	(7 804)
Foreign currency translation adjustments	378 954	151 313
Other non-distributable statutory reserves	(85 206)	(110 863)
Balance at the beginning of the year	(110 863)	(43 068)
Foreign currency translation adjustments	(2 917)	3 402
Net business combination acquisition	28 574	(71 197)
Accumulated profit	2 808 394	2 622 984
Balance at the beginning of the year	2 622 984	3 156 208
Other comprehensive income from financial instruments	3 001	4 407
Actuarial gains / (losses) recognised	6 831	(25 896)
Profit / (loss) for the year	221 358	(363 975)
Ordinary dividends paid	-	(96 516)
Preference dividends paid	(45 780)	(51 244)
Total interest of shareholders of the Company	8 622 652	8 109 143
Equity attributable to non-controlling interests of the Company	(44 704)	(150 134)
Balance at the beginning of the year	(150 134)	(71 653)
Foreign currency translation adjustments	1 724	4 502
Non-controlling interest acquired	(53 801)	(33 675)
Non-controlling interest disposed	128 636	-
Profit / (loss) for the year	29 795	(47 108)
Ordinary dividends paid	(924)	(2 200)
Total equity attributable to all shareholders of the Company	8 577 948	7 959 009

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SEGMENTAL INFORMATION

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Revenue		
Port and Terminals	1 413 393	1 081 990
Logistics	3 242 393	3 232 044
Bank	487 634	378 236
Group	26 872	57 351
Total core operations	5 170 292	4 749 621
Marine Fuels and Agricultural Logistics	12 814 442	11 504 669
Private equity and property	52 223	116 043
Total	18 036 957	16 370 333
Segmental adjustments*	(14 131 973)	(12 619 177)
	3 904 984	3 751 156
Trading profit (after expected credit loss)		
Port and Terminals	580 499	460 611
Logistics	894 893	906 723
Bank	140 262	38 376
Group	170 354	(50 010)
Total core operations	1 786 008	1 355 700
Marine Fuels and Agricultural Logistics	43 095	103 725
Private equity and property	(164 759)	(489 361)
Total	1 664 344	970 064
Segmental adjustments*	(602 626)	(636 479)
	1 061 718	333 585
Operating profit / (loss) before interest and taxation		
Port and Terminals	452 342	335 467
Logistics	408 427	330 577
Bank	127 330	22 770
Group	135 362	(52 169)
Total core operations	1 123 461	636 645
Marine Fuels and Agricultural Logistics	39 474	98 785
Private equity and property	(166 043)	(498 214)
Total	996 892	237 216
Segmental adjustments*	(423 283)	(429 930)
	573 609	(192 714)

* For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

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SEGMENTAL INFORMATION (CONTINUED)

for the year ended 31 December 2021

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Share of associate companies' profit / (loss) after taxation		
Port and Terminals	115 140	88 839
Logistics	285	303
Total core operations	115 425	89 142
Segmental adjustments*	(96 256)	(68 703)
	19 169	20 439
Profit / (loss) attributable to ordinary shareholders		
Port and Terminals	383 606	226 084
Logistics	(81 508)	137 158
Bank	96 687	37 567
Group	141 675	(71 375)
Total core operations	540 460	329 434
Marine Fuels and Agricultural Logistics	39 960	(69 516)
Private equity and property	(404 842)	(675 137)
	175 578	(415 219)
Geographical revenue		
North America / Bermuda	83 558	34 100
South America	4 134	117 456
Middle East	4 475 248	3 910 600
United Kingdom / Europe / Isle of Man	237 521	410 906
Singapore / Asia / Far East / Australia	8 088 843	7 097 388
South Africa	3 369 262	3 191 149
Rest of Africa	1 778 391	1 608 734
	18 036 957	16 370 333

* For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

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NOTES TO FINANCIAL STATEMENTS

1. FOREIGN CURRENCY DENOMINATED ITEMS

for the year ended 31 December 2021

The statement of financial position is translated at the closing rate of exchange indicated below and the income statement is translated at the average exchange rate.

Exchange rates (ZAR / US\$)

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Opening exchange rate	14.62	14.00
Closing exchange rate	15.93	14.62
Average exchange rate	14.90	16.56

2. REVENUE

for the year ended 31 December 2021

Revenue category	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Bulk terminals	469 460	354 199
Container handling	1 433 330	1 385 972
- Recognised at a point in time	999 795	885 962
- Recognised over time	433 535	500 010
Logistics	776 132	844 746
Net interest income of Bank*	241 849	133 819
Fee income and non-interest income of Bank*	243 160	244 983
Ships agency income	447 341	449 021
Other services	293 712	338 416
	3 904 984	3 751 156

* Comparatives have been represented to reflect loan origination fee income more appropriately as part of net interest income of Bank. Total Bank revenue remains unchanged.

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3. LONG-TERM RECEIVABLE

for the year ended 31 December 2021

The long-term receivable comprises the deferred interest-bearing proceeds from the disposal of the investment in Select Industrial Real Estate UK Fund Limited ("SIRE").

On 04 November 2021, Group disposed of its entire shareholding in SIRE for a cash consideration of £17.4 million to Gripon Limited, the other shareholder in the underlying structure, payable as follows:

- £4.5 million (R90.8 million) was received in 2021 on fulfilment of the condition's precedent;
- £2.0 million is to be received 12 months after disposal date;
- £5.2 million is to be received 30 months after disposal date; and
- £5.7 million is to be received 36 months after disposal date.

Following the disposal, the remaining proceeds of £12.9 million were discounted at a rate of 5.4%. The discount rate was determined based on a market related borrowing rate in the United Kingdom, for borrowing with a similar collateral profile, factoring in the credit risk of the buyer. In addition, interest at 1.5% on the outstanding proceeds will commence 13 months from the date of disposal.

**Reviewed
31 December
2021
R'000**

Carrying value of the receivable at year end convert at a closing exchange rate of R21.53 / £* **245 214**

Split as follows:

Non-current	202 099
Current	43 115

* The impact of a 1% change in the discount rate would result in change in the receivable carrying value of R5.8 million.

4. FINANCIAL INSTRUMENTS DISCLOSURE

for the year ended 31 December 2021

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable or based on observable inputs:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Levels 2 and 3 fair values were determined by applying either a combination of, or one of the following, valuation techniques:

- Projected unit method; and / or
- Independently observable market prices; and / or
- The net asset value of the underlying investments; and / or

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- A price earnings multiple or a discounted projected income / present value approach; and / or
 - Market-related interest rate yield curves to discount expected future cash flows; and / or
 - Any additional revenue arrangements valued per the specified arrangement based on the specified underlying asset.
- The specified underlying assets include property and unlisted investments supported by management valuation.

The fair value measurement based on the income approach uses key inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassesses the earnings or yield multiples at least annually based on its assessment of the macro- and microeconomic environments.

R'000	Carrying value	Level 1	2021 Fair value instruments			Amortised cost	Other non-financial instruments
			Level 2	Level 3			
Financial instruments							
Bank balances and cash	2 057 642	-	-	-	2 057 642	-	
Other investments	1 097 668	93 707	87 911	590 621	325 429	-	
Loans and advances	9 537 311	-	638 174	2 629 678	^6 269 459	-	
Liquid assets and negotiable securities	3 935 984	-	-	-	^3 935 984	-	
Long-term receivable	245 214	-	-	-	245 214	-	
Trade and other receivables	1 347 191	-	-	-	^1 211 106	136 085	
Borrowings	(3 859 159)	-	-	-	(3 859 159)	-	
Derivative financial liabilities	(24 277)	-	(24 277)	-	-	-	
Trade and other payables	(1 310 696)	-	-	-	(1 055 710)	(254 986)	
Deposits from Bank customers	(11 221 133)	-	-	-	(11 221 133)	-	
Non-financial instruments							
Investment property	86 168	-	-	86 168	-	-	
Total		93 707	701 808	3 306 467	(2 091 168)	(118 901)	

[^] Carrying value approximates fair value.

R'000	Carrying value	Level 1	2020 Fair value instruments			Amortised cost	Other non-financial instruments
			Level 2	Level 3			
Financial instruments							
Bank balances and cash	1 846 811	-	-	-	1 846 811	-	
Other investments	1 989 910	*125 523	68 768	*1 475 661	319 958	-	
Loans and advances	8 933 218	-	952 353	**2 547 357	^*5 433 508	-	
Liquid assets and negotiable securities	2 469 250	-	-	-	^2 469 250	-	
Trade and other receivables	1 273 663	-	-	-	^1 152 076	121 587	
Borrowings	(4 498 382)	-	-	-	(4 498 382)	-	
Derivative financial liabilities	(73 046)	-	(73 046)	-	-	-	
Trade and other payables	(1 440 209)	-	-	-	(1 207 738)	(232 471)	

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R'000	Carrying value	2020 Fair value instruments			Amortised cost	Other non-financial instruments
		Level 1	Level 2	Level 3		
Deposits from Bank customers	(9 433 681)	-	-	-	(9 433 681)	-
Non-financial instruments						
Investment property	91 617	-	-	91 617	-	-
Total		125 523	948 075	4 114 635	(3 918 198)	(110 884)

* The Level 1 and Level 3 fair values have been represented to include the MTN Zakhele Futhi shares in the Loniwiz RF (Pty) Ltd subsidiary as Level 1 whereas previously this was disclosed in Level 3.

** The Amortised Cost Level 3 fair value amounts have been represented to reflect more appropriate disclosure.

^ Carrying value approximates fair value.

Reconciliation of Level 3 fair value measurement of financial instruments

	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Opening balance	4 114 635	*4 090 536
Purchases	458 101	293 117
Settlements	(1 088 645)	(155 701)
Total gains / (losses) recognised in:		
- Condensed consolidated statement of other comprehensive income	13 579	32 314
- Condensed consolidated income statement	(191 203)	*(145 631)
Closing balance	3 306 467	*4 114 635

Fair value losses recognised in the condensed consolidated statement of other comprehensive income for Level 3 financial instruments were R177.6 million (2020: fair value losses of R113.3 million*).

* The Level 3 fair value reconciliation has been represented in line with the change in classifications as detailed above in the Fair Value Instruments classification table above.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for material investments:

Material investment	Fair value at 31 December 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value (000)
Medical	175 977	185 437	Discounted cash flow	Perpetuity growth Discount rate	<ul style="list-style-type: none"> 5% - 7% 12% - 14% 	<p>Increase perpetuity growth to 7% and increased WACC to 14% would decrease FV by R166 836</p> <p>Decrease perpetuity growth to 5% and decreased WACC to 12% would increase FV</p>

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Material investment	Fair value at 31 December 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value (000)
				EBITDA margin		by R185 327 Increase of 1% would increase FV by R202 561 Decrease of 1% would decrease FV by R147 178
Asset financing	301 700	283 136	Price multiple approach	PE multiple	• 10.8x – 12.8x	Increased PE multiple to 12.8 x would increase FV by R327 268 Decreased PE multiple to 10.8x would decrease FV by R276 092
		82 882	Net asset value	Based on net asset value	Based on net asset value	Based on net asset value
North coast property loans	1 456 749	1 377 428	Underlying security valuation	Underlying security valuation	Per expert valuation	The value of the combined properties held as security for the loans is R3.0 billion based on independent valuations These valuations together with the Group's mortgage bonds were inputs into a Monte Carlo simulation to determine an independent valuation range between R1.0 billion and R1.8 billion on the loans
				Rate per hectare:	Residential / Commercial	Increase of 10% would increase FV by R147.1 million Decrease of 10% would decrease FV by R219.0 million

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Material investment	Fair value at 31 December 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value (000)
				Discount rate	4% - 14%	Decrease of 2% on the discount rate to a range of 4% to 10% would increase the FV by R72.6 million
						Increase of 2% on the discount rate to a range of 8% to 14% would decrease the FV by R61.6 million
				Time to Maturity ("TTM")	1.5 – 3.5 years	Decrease of 6 months to a range of 1.5 to 2.5 years would increase the FV by R75.3 million
						Increase of 6 months to a range of 2.5 to 3.5 years would decrease the FV by R70.2 million
Loans and advances - Bank	1 172 929	1 263 415	Discounted cash flow	Credit spread*		Increase of 100bps would decrease FV by R15 995
						Decrease of 100bps would increase FV by R16 537

* The loans are valued by forecasting the future interest rate by forecasting the forward interest rate on the contractually referenced floating interest rate curve and adding the contractual fixed inception credit spread. This future interest rate is applied to the nominal or carrying amount of the loan. The interest and capital cash flows are discounted using the Prime or JIBAR swap yield curves back to the valuation date. An appropriate credit spread is generally added to the curve used for discounting purposes to reflect the current credit risk associated with the borrower. If the borrower of the loan has had no change in credit risk profile since inception, the inception credit spread is applied.

Valuation process

The Group's finance and corporate finance teams perform valuations on certain assets for financial reporting purposes. The valuation input, assumptions, methodology and outputs are then challenged and debated with the Group Chief Financial Officer (CFO) prior to approval. Teams present their valuations for significant investments to the CFO who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the CFO and the respective teams at least once every six months, in line with the Group's half-yearly reporting periods. Any resulting adjustments to the carrying value will follow the internal approval process. North coast properties, being security on the lending, are assessed by an independent valuation professional and the option pricing model for the assessment of fair value is performed by an independent expert.

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The main four inputs used by the Group in measuring the fair value of financial instruments are:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset;
- Risk adjustments: these are specific to the counterparties (including assumptions about credit default rates) and are derived from the market assumptions on the operational environment and other factors affecting the investment; and
- Earnings growth factor for unlisted investments: these are estimated based on market information for similar types of companies or historical growth patterns.
- Independent expert valuations: valuations were conducted by registered independent experts using both the market approach and investment method.

5. DISPOSAL OF BUSINESSES

for the year ended 31 December 2021

Disposal of subsidiaries and businesses

During the year, the Group disposed of the following:

Company	Nature of business	Nature of disposal	Interest disposed	Date disposed	Disposal consideration R'000
Innovative Strategic Investments 1 Proprietary Limited ("ISI")	Corporate branding and signage	Sale of shares – disposal of subsidiary	49%	30 June 2021	-
Fuellogic Namibia Proprietary Limited ("Fuellogic Namibia")	Fuel carriers	Sale of shares – disposal of subsidiary	100%	31 August 2021	19 848
Fuellogic, a division of Grindrod (South Africa) Proprietary Limited ("Fuel SA")	Fuel carriers	Sale of assets and liabilities – disposal of business	n/a	31 August 2021	107 187
Grindrod Automotive, a division of Grindrod (South Africa) Proprietary Limited ("Automotive")	Car carriers	Sale of assets and liabilities – disposal of business	n/a	31 August 2021	95 000
Total disposal consideration					222 035

The details of the SIRE disposal have been disclosed in note 3.

Reason for disposals

In 2019, following an assessment of control over the entity, in terms of IFRS 10: Consolidated Financial Statements, the Group consolidated Innovative Strategic Investments 1 (Pty) Limited. In the current year, the Group disposed of its shareholding in the entity in line with the exit strategy of the private equity portfolio.

In addition, in line with the strategy to exit poor performing businesses, the Group disposed of its South African and Namibian fuel carrier businesses. As at June 2021, the Fuel SA and Automotive disposals were sufficiently progressed and the assets and liabilities relating to these businesses were disclosed as non-current assets held for sale.

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Net assets disposed

The net assets disposed is as follows:

	Disposal of subsidiaries - ISI and Fuelogic Namibia R'000	Disposal of businesses - Fuel SA and Automotive R'000	Total disposal R'000
Property, terminals, machinery, vehicles and equipment	46 600	303 929	350 529
Right of use assets	972	27 387	28 359
Goodwill	-	133 814	133 814
Deferred taxation	178	-	178
Inventory	15 967	-	15 967
Trade and other receivables	5 178	1 930	7 108
Non-controlling interests	128 636	-	128 636
Cash and bank	10 136	-	10 136
Long-term debt	(26 457)	(24 807)	(51 264)
Current liabilities	(25 730)	-	(25 730)
Total	155 480	442 253	597 733
Loss on disposal	(135 632)	-	(135 632)
Loss on re-measurement to fair value less costs to sell	-	(240 066)	(240 066)
Proceeds on disposal	19 848	202 187	222 035
Less: Settled directly with financial institutions	-	(30 000)	(30 000)
Less: Proceeds receivable	(19 848)	(172 187)	(192 035)
Less: Cash disposed	(10 136)	-	(10 136)
Net cash outflow on disposal of subsidiaries	(10 136)	-	(10 136)

6. RELATED PARTY TRANSACTIONS

for the year ended 31 December 2021

During each year, the Group, in the ordinary course of business, enters into various transactions with related parties. Parties are related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions are entered into under terms that are no more or less favourable than those entered into with the external third parties.

Below is a list of significant related party transactions and balances for each year:

	Nature of relationship	Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
Goods and services sold to:			
Portus Indico	Joint venture	79 492	157 452
Terminal De Carvão da Matola Limitada	Joint venture	140 982	211 953
GPR Leasing Africa Limited	Joint venture	-	51 922
Röhlig-Grindrod Proprietary Limited	Joint venture	33 657	43 357

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		Reviewed 31 December 2021 R'000	Audited 31 December 2020 R'000
	Nature of relationship		
France Rail Industry South Africa Proprietary Limited	Other related party*	664	-
Interest earned on loans to associates	Associates	101 031	126 806
Goods and services purchased from:			
Cockett Marine Oil Private Limited	Joint venture	84 561	101 773
Amounts due from related party:			
Maputo Intermodal Container Depot, S. A	Joint venture	61 014	67 618
Railco Africa Limited	Joint venture	97 141	118 685
RBT Grindrod Terminals Proprietary Limited	Joint venture	153 940	186 301
RBT Resources Proprietary Limited	Other related party	204 222	190 398
Loans to associates	Associates	1 057 660	1 601 639
Property-owning entities		828 527	822 044
Investment entities		-	319 992
Private equity portfolio		229 133	459 603
Directors (directly or indirectly)	Directors and key officers	-	1 894
Interests held by directors:	Equity investment in:	% held	% held
D Polkinghorne	Indirect shareholding in various Grindrod entities**	-	<2%
D Polkinghorne	Direct shareholding in SIRE [^]	-	<2%
Various directors	Grindrod Limited ordinary and preference shares	0.25	0.21

* ZP Zatu-Moloi, a non-executive director of Grindrod Limited, is a shareholder and director of this entity.

** In the current year, Grindrod Bank executed a share buy-back of the minority interest.

[^] The Group's interest in SIRE was disposed in the current year. Refer to note 3.

7. CONTINGENT LIABILITIES

for the year ended 31 December 2021

The Company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R4 213.1 million (December 2020: R3 334.9 million) of which R1 779.9 million (December 2020: R2 011.9 million) had been utilised at year end.

Management is currently in an appeal process with South Africa Revenue Services around customs VAT on a leased vessel linked to its flagging. Supported by legal opinion, the directors are of the view that the probability of a material liability arising is low.

Despite settlement in December 2020 of an investigation by Brazilian authorities into Cockett Group, the Cockett Group is still under investigation by two other authorities. The settlement is still subject to review by the Brazilian Federal General Controlling Office and it is not possible to estimate when this will happen, but no changes are expected. External legal counsel has been engaged to assist the Cockett Group in responding to such investigations in an open and transparent way and are proactively co-operating with the authorities concerned. One investigation has been dormant for more than

Grindrod Limited

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two years and the other only affects a small subsidiary of the Cockett Group.

Due to the abovementioned circumstances, any potential exposures (such as fines, penalties or legal costs) are not possible to determine and estimate at this stage. Cockett is a 50% joint venture to the Group.

8. CAPITAL EXPENDITURE AND COMMITMENTS

for the year ended 31 December 2021

Rmillion	Capital expenditure		Split as follows	
	2021	2022	Approved not contracted	Approved and contracted
Core operations	568	269	156	113
Port and Terminals	65	46	-	46
Logistics	499	223	156	67
Bank	4	-	-	-
Split as follows:				
Subsidiaries	504	269	156	113
Joint ventures	64	-	-	-

Total capital expenditure was R568.4 million (2020: R403.8 million), of which 65% (2020:54%) was expansionary and the balance maintenance or replacement capital expenditure.

9. CASH FLOW AND BORROWINGS

The financial position reflects net cash of R450.6 million (December 2020: R682.8 million). The Group generated operating profit before working capital cash flows of R1 072.6 million (December 2020: R907.4 million) during the year. Working capital contributed to a net outflow of R33.3 million (December 2020: R36.4 million).

10. STATEMENT OF FINANCIAL POSITION

With total assets of R25 151.5 million (December 2020: R23 604.6 million) and low gearing, the Group's financial position remains solid. Book net asset value per share is 1 176 cents (December 2020: 1 075 cents).

Shareholders' equity increased to R8 577.9 million (December 2020: R7 959.0 million) mainly due to profits in the current year and gains in the foreign currency translation reserve. The increase of R328.4 million in the foreign currency translation reserve was due to the weaker Rand against the US dollar from R14.62 / US\$ in December 2020 to R15.93 / US\$ in December 2021.

In addition, share buy backs of R29.9 million (December 2020: R45.4 million) were completed. Ordinary shares in issue remain unchanged from the prior year at 698 031 586.

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

11. BASIS OF PREPARATION

The reviewed condensed consolidated annual financial statements have been prepared in accordance with the Framework concepts recognition and measurement criteria of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contain the information required by IAS 34 Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited applicable to provisional reports and the Companies Act No. 71 of 2008 of South Africa requirements applicable to condensed financial statements.

These condensed consolidated financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 02 March 2022, on recommendation by the audit committee.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the reviewed provisional consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2020. Non-trading items are a non-IFRS measure and consist of items that are usually capital in nature or not of an operational nature. Non-trading items are those items excluded from headline earnings in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2021.

12. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

Independent auditor's review report on condensed consolidated financial statements to the shareholders of Grindrod Limited

We have reviewed the condensed consolidated financial statements of Grindrod Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated income statement and the condensed consolidated statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the basis of preparation in Note 11, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a provisional report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Grindrod Limited for the year ended 31 December 2021 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in Note 11 to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

Deloitte & Touche

Registered Auditor

Per: MH Holme CA(SA), RA

Partner

02 March 2022

Deloitte Place, 2 Pencarrow Crescent,
Pencarrow Park, La Lucia Ridge Office Estate,
La Lucia 4051, Durban

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

PROSPECTS

Grindrod delivers an efficient and cost-effective solution for its customer's cargo flow, living its purpose to enable Africa's trade with the world, touching lives of the communities in which it operates.

Grindrod Bank remains focused on its core strengths, expanding its SME offering and providing a compelling platform banking solution.

AG Waller
Chief Executive Officer
02 March 2022

MJ Hankinson
Chairman
02 March 2022

DECLARATION OF FINAL DIVIDEND

Ordinary dividend

Notice is hereby given that a final gross ordinary dividend of 20.1 cents per share has been declared out of income reserves for the year ended 31 December 2021 (2020: nil cents). The final net ordinary dividend is 16.08 cents per share for ordinary shareholders who are not exempt from dividends tax.

As at the date of this announcement, there were 698 031 586 ordinary shares in issue.

Preference dividend

Notice is hereby given that a final gross preference dividend of 313.0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share ("preference share") has been declared out of income reserves for the year ended 31 December 2021 (2020: 312.0 cents). The final net preference dividend is 250.4 cents per share for preference shareholders who are not exempt from dividends tax.

As at the date of this announcement, there were 7 400 000 preference shares in issue.

Salient dates

The salient dates for the ordinary dividend and preference dividend ("dividends") are as follows:

Dividends' declaration date	Thursday, 03 March 2022
Last date to trade cum-dividends	Tuesday, 22 March 2022
Ordinary shares and preference shares start trading ex-dividends	Wednesday, 23 March 2022
Record date	Friday, 25 March 2022
Payment date	Monday, 28 March 2022

Grindrod Limited

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No dematerialisation or rematerialisation of ordinary shares and preference shares will be allowed for the period Wednesday, 23 March 2022 to Friday, 25 March 2022, both days inclusive.

The local dividend tax rate is 20% and Grindrod's tax reference number is 9435/490/71/0. Both the ordinary dividend and preference dividend are declared in the currency of the Republic of South Africa

By order of the Board

VB Commaillie

Group company secretary

03 March 2022

CORPORATE INFORMATION

Directors

MJ Hankinson (Chairman*), NL Sowazi* (Lead independent non-executive director), CA Carolus*, FB Ally (Group financial director), GG Gelink*, WJ Grindrod*, B Magara*, D Malik*, XF Mbambo, DA Polkinghorne, PJ Uys*, WO van Wyk (alternate)*, AG Waller (Group chief executive officer) and ZP Zatu-Moloi*.

* Non-executive.

Change in directorate

It was with great pleasure that the Board announced the appointment of Cheryl Carolus and Deepak Malik as independent non-executive directors effective from 01 October 2021 and 01 December 2021 respectively.

Registered office

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South Africa

Transfer secretaries

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Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2021

Auditors

Deloitte & Touche

Designated Audit Partner: Mark Holme CA(SA) RA

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

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Registration number: 1966/009846/06, Incorporated in the Republic of South Africa

Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106

Statements contained in this announcement regarding the prospects of the Group, have not been reviewed nor audited by the Group's external auditors.

For more information and additional analyst information, please refer to www.grindrod.com.