

STAKEHOLDER RELATIONSHIPS

Grindrod's approach to managing relationships is based on King IV, which recognises that stakeholder inclusivity and sustainable value creation are interdependent and interconnected. Transparent, pro-active, two-way engagement is the foundation for creating mutually rewarding benefits for the stakeholder groupings that rely and thrive on, the sustainability of the business.

We prioritise our stakeholders according to their level of influence on us and the level of influence we have on them. Our core values guide us in our interactions with stakeholders. To meet and improve on our stakeholder commitments, we continually strive for: A safe and healthy working environment, ongoing and clear communication, driving a culture that views change as an opportunity to improve our customer solutions, delivering customer-focused business interactions and solutions, creating collaborative relationships with regulators and state-owned entities.

| STAKEHOLDER GROUP | Key ESG objectives | Why they are important | How we engage | Key issues/areas of interest | Our response |
|---|---|---|--|---|---|
| Employees 3 787 employees 4 continents | <ul style="list-style-type: none"> Prosperity for all. Socially inclusive development.    | Employees are the cornerstone of Grindrod's sustainable business growth and performance. | Communication through: <ul style="list-style-type: none"> Face-to-face meetings. Campaigns. Emails. Newsletters. Roadshows. Workshops. Surveys. | Grindrod's provision of: <ul style="list-style-type: none"> A safe working environment. Employment security. Competitive remuneration. Workplace transformation. Information and two-way dialogue. Participation and empowerment opportunities. Communication on strategy and direction. | <ul style="list-style-type: none"> R1.4 billion in wealth distributed to employees. Ongoing health and safety initiatives. Continued investment in training and development. Wage adjustments. Strategic transformation targets. |
| Trade unions and bargaining councils 6 unions 373 employee members 1 council 42 employee members | <ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance.    | With a contingent of our employees being part of unions and a bargaining council, these organisations can and do affect our operations. | <ul style="list-style-type: none"> Wage negotiations settled without major industrial action through fair and equitable negotiation. Skills training and development of staff. Strong focus on health and safety in the workplace. Transformation and diversity policies to promote inclusiveness. | <ul style="list-style-type: none"> The fair treatment and remuneration of employees. Safe working conditions. Remuneration benchmarking. Good employee relationships and a positive workforce. Securing, retaining and developing necessary skills. | <ul style="list-style-type: none"> Regular engagement and interaction with union leadership. Discussion of successes and challenges faced by the business and inviting union leadership to provide input into solutions. |
| Communities, including community-based and non-governmental organisations We support Adopt-a-School, Cyril Ramaphosa Education Trust, The Wildlands Conservation Trust, Blue Fund, Home Run for Education; Rally to Read; Hlahlindlela School and Rise Against Hunger, to name a few. | <ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance. Regenerative environment.        | Establishing and maintaining respectful relationships with the communities in which we operate is central to our sustainability and Grindrod is committed to contributing positively to social and economic development. Our social responsibility favours investments in education and the environment and supports staff involved in these initiatives. Engaging and supporting the NGOs and communities in which we operate is not only the right thing to do, but builds goodwill and upholds our social licence to operate. | <ul style="list-style-type: none"> Meetings. Teleconferences. Emails. Site visits. Career exhibitions. Breakfast sessions. Round table discussions. Workshops. Memorandums of Understanding. | <ul style="list-style-type: none"> Employment opportunities for communities near our operations. Small business development opportunities for local businesses. Development of community infrastructure through enterprise supplier development (ESD) and corporate social investment (CSI) programmes. Compliance with laws and regulations. Positive impact on fiscus. | Continued contribution to community interest and wellbeing through: <ul style="list-style-type: none"> Support for key community and environmental initiatives. Sponsorships and donations. Employment opportunities. Social and environmental responsibility. Local procurement. Social upliftment. Funding for community projects. |

STAKEHOLDER RELATIONSHIPS continued

| STAKEHOLDER GROUP | Key ESG objectives | Why they are important | How we engage | Key issues/areas of interest | Our response |
|---|--|--|---|---|---|
| Investors, business partners and providers of financial capital, including banks 45 398 beneficial ordinary shareholders 1 916 preference shareholders | <ul style="list-style-type: none"> Prosperity for all. Socially inclusive development. Good governance.    | Investors support Grindrod's long-term growth. Our business partners enable us to expand its service offering and footprint to provide efficient and cost effective solutions to customers. | Grindrod aligns with the King IV guidelines in how we adopt a pro-active investor relations (IR) engagement process with stakeholders through: <ul style="list-style-type: none"> IR conferences. Independent interviews to gain insight into communication, reporting enhancements, risk analysis, valuation clarifying information and the need for deeper engagement. Enhanced IR website tools. Maintenance of an accurate investor communication database. | <ul style="list-style-type: none"> Sustainable business growth and return on investment. Net asset value to share price equity. Responsible ESG management. Safety and reliability of operations. Balance sheet management. Ability to manage capital projects. Efficient and cost-effective solutions for customers. Diversification of revenue sources. Anti-bribery and corruption and sanctions controls. Operating environment. Ranking of claims relative to other financiers and creditors generally. | <ul style="list-style-type: none"> R0.6 billion distributed in dividends. In addition to the interim and results presentations, engagement with analysts on an <i>ad-hoc</i> basis, with continued management access and engagement with key analysts. |
| Customers 6 000+ customers >R5 billion in revenue from core businesses | <ul style="list-style-type: none"> Prosperity for all. Good governance.   | Customers are our first strategic pillar, our core focus. We aim to meet and exceed customer expectations through consistently providing innovative, efficient and cost effective cargo-flow solutions thereby forging strong long-term partnerships. | <ul style="list-style-type: none"> One-on-one interactions. Site visits. Meetings. Community forums. Project management. Consultation. | <ul style="list-style-type: none"> Building and improving relationships with stakeholders. Competitive pricing. Convert business inquiries into solutions. Reduce the cost of logistics. Customer service. Regional economic growth. | <ul style="list-style-type: none"> We continue to enforce a one-touchpoint approach to customer relationships. We focus on integrated initiatives by providing customer-centric, end-to-end freight solutions with improved service delivery to current and new customers. We are exploring new business opportunities that will reduce business costs. We continue to conduct customer engagements. We continue to pursue cross-border opportunities. |
| Suppliers 2 300+ suppliers >R3.5 billion in procurement spend | <ul style="list-style-type: none"> Prosperity for all. Good governance.    | Long-term, sustainable and mutually beneficial relationships with suppliers and within Grindrod's supply chain support operational efficiency and customer service. | <ul style="list-style-type: none"> Site visits. Meetings. Performance audits. | <ul style="list-style-type: none"> Ethical business. Strong anti-corruption policies and practices. Enterprise supplier development. Fair and transparent procurement. Fair payment terms. Responsible ESG. | <ul style="list-style-type: none"> Focus on economic development spend to help grow SMMEs. Establish supply contracts with performance management metrics. Foster partnerships and mentoring as required. Work with suppliers to strengthen their commitment to sustainability and ESG performance, aligned with Grindrod's responsible purchasing standards and supplier performance management system. |
| Government departments and regulatory bodies 23+ countries | <ul style="list-style-type: none"> Good governance.  | Municipal, regional, local, national and international governments and governmental departments, the JSE, Takeover Regulation Panel (TRP), Competition Commission, SARS, Prudential Authority and SOEs all contribute toward an enabling environment for Grindrod. | <ul style="list-style-type: none"> Routine engagement through required reports and submissions. <i>Ad-hoc</i> engagement to raise or respond to issues. | <ul style="list-style-type: none"> Compliance in all aspects related to governance, the environment and society. Contribution to the national fiscus of the countries in which we operate. Sound governance policies and procedures. | <ul style="list-style-type: none"> Compliance with laws and regulations. Skills development. Transformation. Employment equity. Gender diversity. |

PERFORMANCE REVIEW



ERNEST NTULI
GRINDROD TERMINALS RICHARDS BAY

SHARED VALUE CREATION

We draw on **all our resources** to create **shared value** and **opportunity** across the African continent.

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REPORT OF THE CHIEF FINANCIAL OFFICER



Fathima Ally Chief Financial Officer

Grindrod's core business is stable with healthy cash generation from operations and our balance sheet is strong. Capital allocation disciplines are well entrenched, and in addition to stay-in business and expansionary capital investments made in 2022, Grindrod held true to sustaining dividend flow to its

Fathima Ally
Chief Financial Officer
5 April 2023

Grindrod's 2022 financial year was one where new operational records were set, and solid financial performance was reported. The backdrop of challenges experienced in the year was met with the resilience of our teams and their customer-solutions-seeking mindset. Grindrod made good strides towards the non-core business exit strategy with the disposal of Grindrod Bank and certain significant private equity investments within the larger portfolio.

Grindrod's core business delivered good results for the year ended 31 December 2022, with headline earnings of R1.1 billion, up 37% on the prior year. In addition, Grindrod reported cash generated from operations of R1.7 billion in 2022, up 62% on the prior year.

The strong commodity markets bolstered volume growth in the Port and Terminals segment. This, together with profit participation on coal cargo handled, resulted in Port and Terminals headline earnings of R822 million, up 111% on the prior year.

The healthy freight and shipping rates contributed to the convincing performance of the Logistics segment, where headline earnings of R636 million was up 162% compared to the prior year. The coastal shipping and container depot businesses recovered exceptionally well following the devastating floods in KwaZulu-Natal. Headline earnings include losses of R26 million related to flood damage and insurance proceeds of R67 million.

The Group segment performance was impacted by various factors, including an impairment of R223 million on the loan previously advanced to set up the Richards Bay black empowerment structure, a R40 million expense linked to obligations under the employee share price linked long-term incentive scheme due to Grindrod's share price increase, and, lastly, increased withholding taxes on offshore dividend repatriations of R45 million.

The disposal of Grindrod Bank on 1 November 2022, for gross proceeds of R1.6 billion, represented a critical milestone. Grindrod Bank reported earnings of R142 million for the 10 months prior to disposal. The transaction resulted in a post-tax loss on sale of R292 million, and transaction costs of R26 million were recorded. In addition, contractual obligations of R85 million were raised on disposal, linked mainly to warranties provided to the buyer on specific loans and advances disposed of. In view of the disposal, the Bank segment was classified as a discontinued operation in 2022 in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, resulting in the prior year's income statement being re-presented.

The private equity investment portfolio has a carrying value of R319 million, with one significant asset remaining at R241 million. The carrying value of the KwaZulu-Natal north coast property loans at year-end amounted to R1.1 billion.

The robust oil prices resulted in the Marine Fuels segment results rising 119% from the prior year.

Financial review

Key segmental continuing income statement metrics (includes share of joint ventures on a line-by-line basis):

| Rmillion | 2022 | 2021* | Variance % |
|---|---------------|--------|------------|
| Revenue | 24 360 | 17 550 | 39 |
| Core operations | 7 405 | 4 683 | 58 |
| Non-core operations | 16 955 | 12 867 | 32 |
| Trading profit/(loss) | 1 917 | 1 524 | 26 |
| Core operations | 2 174 | 1 646 | 32 |
| Non-core operations | (257) | (122) | >100 |
| Share of associate earnings | 163 | 115 | 42 |
| Non-trading items | 54 | (450) | >100 |
| Net profit/(loss) attributable to ordinary shareholders | 776 | 61 | >100 |
| Core operations | 1 090 | 426 | >100 |
| Non-core operations | (314) | (365) | 14 |

* Re-presented due to the disposal of Grindrod Bank.

Revenue growth in core operations was driven by volume growth, improved tariffs, and new customer solutions implemented. Non-core operations revenue related to the Marine Fuels segment and arose due to the strong oil market.

Trading profit from core operations was up 32%, benefitting from volume growth due to the solid commodity market. The R223 million impairment of the loan previously advanced to set up the Richards Bay black empowerment structure is recorded against core trading profit.

The non-core trading loss is largely attributable to net fair value losses on the private equity

portfolio of R132 million and impairment and fair value losses of R204 million relating to the KwaZulu-Natal north coast property loans mainly due to the increase in interest rates, which impacted the discount rates applied in the fair value model.

Share of associates earnings mainly relates to Grindrod's investment in the Port of Maputo, which delivered strong results capitalising on the additional slab and berthing capacity.

Non-trading items arose from property, plant and equipment disposals mainly due to the disposal of two flats in London in 2022.



REPORT OF THE CHIEF FINANCIAL OFFICER continued

Group headline earnings reconciliation

| Rmillion | Continued core operations | Non-core operations | Dis-continued operations | Total |
|---|---------------------------|---------------------|--------------------------|------------|
| Net profit/(loss) attributable to ordinary shareholders | 1 090 | (314) | (175) | 601 |
| Scrapping and impairment of fixed assets due to floods, net of insurance proceeds | 10 | - | - | 10 |
| Reversals of impairment of fixed assets | (6) | - | - | (11) |
| Net profit on disposal of joint venture | (7) | - | - | (7) |
| Net profit on disposal of fixed assets | (30) | - | - | (30) |
| Loss on disposal of the Bank | - | - | 292 | 292 |
| Headline earnings/(loss) | 1 057 | (314) | 117 | 860 |

Core headline earnings at R1.1 billion represent a 37% uplift from the 2021 core headline earnings of R772 million.

Statement of financial position

Key segmental statement of financial position metrics (includes share of joint ventures on a line-by-line basis)

| Rmillion | 2022 | 2021 | Variance % |
|--|---------------|---------------|-------------|
| Property, plant and equipment (PPE), right-of-use assets and intangible assets | 5 099 | 5 561 | (8) |
| Assets held for sale | 975 | 65 | >100 |
| Investments and other assets | 1 988 | 2 472 | (20) |
| Current assets and bank and cash | 8 013 | 6 647 | 21 |
| Loans and advances | 1 073 | 9 537 | >(100) |
| Liquid assets and negotiable securities | - | 3 936 | >(100) |
| Total assets | 17 148 | 28 218 | (39) |
| Total equity | 8 821 | 8 571 | 3 |
| Total interest-bearing debt | 3 417 | 4 785 | (29) |
| Deposits from Bank customers | - | 11 221 | >(100) |
| Current and other liabilities | 4 546 | 3 641 | 25 |
| Liabilities associated with assets held for sale | 364 | - | 100 |
| Total equity and liabilities | 17 148 | 28 218 | (39) |

PPE, right-of-use assets and intangible assets decreased due to the transfer of assets to held for sale in view of the joint venture transaction with Maersk logistics and service operations and certain of Grindrod's container depots and its coastal shipping business, which became effective in early January 2023. This is also what the assets held for sale and liabilities associated with assets held for sale relate to.

The decrease in investments and other assets is mainly due to net fair value losses on, and disposal of, certain significant private equity investments and an impairment of the loan previously advanced to set up the Richards Bay black empowerment structure.

Current assets and bank and cash increased due to improved trading, as well as proceeds from the disposal of Grindrod Bank.

The significant decrease in loans and advances is largely attributable to the disposal of Grindrod Bank and, to a lesser extent, fair value losses of R204 million relating to the KwaZulu-Natal north coast property loans and advances.

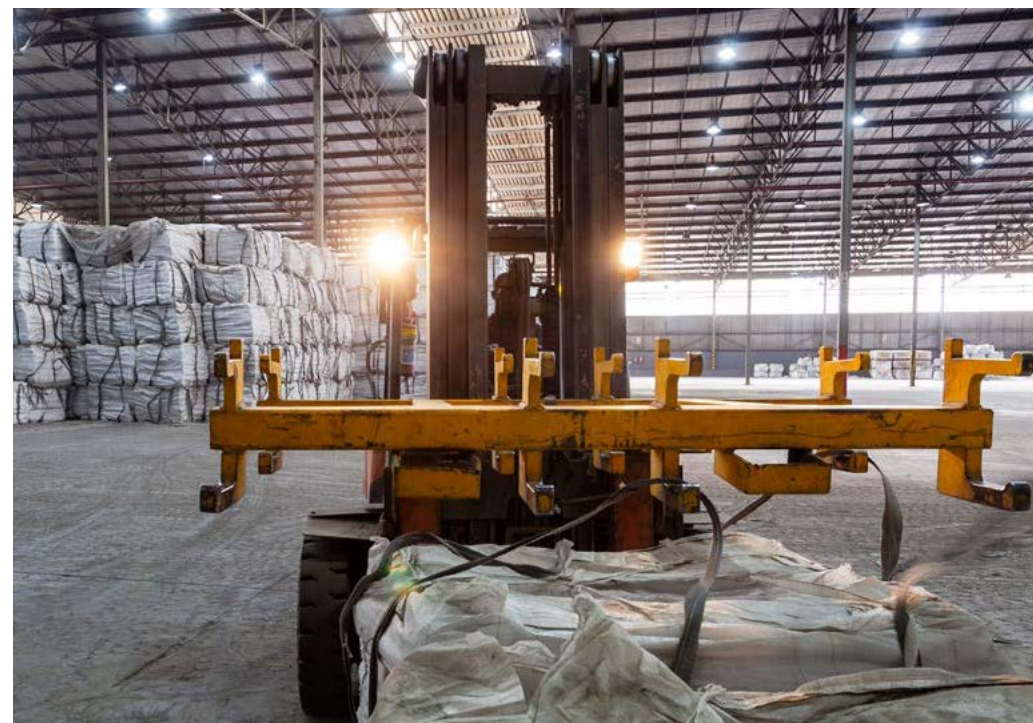
Exchange rate and current-year profits contributed to the increased equity. This was partly offset by dividends of R680 million declared and paid to ordinary and preference shareholders during 2022.

Interest-bearing borrowings have decreased due to the sale of Grindrod Bank, a reduction in the private equity debt and the transfer of lease liabilities to the held for sale disposal group arising from the conclusion of the joint venture with Maersk Logistics and Services operations.

The increase in current and other liabilities is largely due to increased trading activities.

Capital allocation

Grindrod's capital allocation fundamentals aim to safeguard the strength of the balance sheet whilst reinvesting to ensure the sustainability and growth of the business and simultaneously deliver returns to shareholders.



REPORT OF THE CHIEF FINANCIAL OFFICER continued

The Group generated positive cash from operations of R1.7 billion, which was utilised to settle interest, taxation and dividend obligations of R622 million. R578 million was utilised for capital expenditure, and R402 million was used to make lease liability and short-term borrowing repayments during the year.

Proceeds from the disposal of private equity investments of R176 million were applied to the settlement of the preference share funding of R150 million.

Proceeds of R197 million were also received in the current year linked to the 2021 disposal of the carrier businesses and the UK Real Estate investment under deferred payment arrangements.

Proceeds from the disposal of Grindrod Bank were utilised to settle transaction costs and make a special dividend distribution of 55.9 cents per share to the shareholders on 19 December 2022. The balance of the proceeds of R1.1 billion have been allocated to the Matola upgrade, the manganese logistics solution project and warranties on the sale.

As at 31 December 2022, the balance sheet reflects net debt of R182 million. However, excluding ringfenced cash of R1.1 billion from the disposal of Grindrod Bank, the net debt is R1.3 billion. This equates to a net debt-to-equity ratio of 15% using operational cash only. Headroom exists to facilitate the raising of funding to support the Freight Services expansion, ensuring that net debt to EBITDA of less than 2.5 times is always maintained.

Capital projects

Capital commitments of R556 million (2021: R269 million) were approved as of 31 December 2022, relating predominantly to the Matola terminal upgrade and the refurbishment of locomotives. 64% of current-year capital expenditure, including joint ventures, of R767 million (2020: 65% of R568 million) was expansionary.

Annually, Grindrod sets the weighted average cost of capital (WACC) and project hurdle rates to ensure that all projects are assessed in detail and that a robust process for allocating capital is adhered to. All projects are deemed high risk unless substantiated otherwise for factors such as guaranteed contractual off-take, solid counter-party or low country risk, amongst others. The project hurdle rates, using the project internal rate of return, have remained largely unchanged from the prior year and are set out in the table below:

| | High Risk | Medium Risk |
|-------------|-----------|-------------|
| Hurdle rate | 18% | 15% |

Dividend declaration

A final gross ordinary dividend of 22.2 cents was declared, resulting in a total ordinary dividend for the year of 95.3 cents. Total preference share dividends of R56 million (2021: R46 million) were declared to preference shareholders during the 2022 financial year.

Foreign currency exposures

Grindrod has US\$265 million (2021: US\$227 million) of net assets based outside South Africa, with US Dollar cost bases and generating US Dollar revenues, thereby reducing the exposure of the Group to any one country or currency. It is worth noting that the majority of Grindrod's operations in Mozambique trade in US Dollar currency, mitigating exposure to the Metical. Foreign exchange risks are monitored and mitigated in terms of approved policies.

Financial controls and risk management

Key financial personnel are employed across Grindrod to manage the financial departments, which monitor and support the operations through the analysis and reporting of results. These finance teams, with enabling financial systems, ensure that the financial information reported is complete, accurate, relevant and timely.

Internal control systems are designed to provide reasonable assurance against material losses, and the misstatement of financial results and are intended to manage all significant risks. Safeguarding and preventing the misuse of assets are other important aspects of internal control.

Principal features of the Group's internal financial controls are:

- An organisational structure comprising clearly defined reporting lines, responsibilities and levels of authority.
- Policies, procedures and guidelines to ensure that best practice standards are maintained and achieved.
- A system of financial planning, budgeting and reporting that enables performance to be monitored against predetermined objectives.
- Internal financial controls, which are supported by the Group's IT systems.
- A finance team with the appropriate level of skill and technical training.
- Independent oversight by the internal audit division through developing and testing financial control frameworks.

During 2022, internal financial control frameworks were tested by the internal audit division at several locations. Areas of non-compliance or deficiency were reported to and



discussed with management, following which action plans were drafted and implemented to address the risk of material misstatement of financial results. In line with the requirements of JSE listing rule 3.84(k), the deficiencies and remediation plans were also shared with the Audit committee and external auditors.

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 2021.

The Grindrod Bank disposal resulted in the Bank segment being presented as discontinued operations as it constituted a major line of business. Accordingly, the financial results in the income statement for 2021 have been re-presented.

Refer to the Accounting Policies section of the Annual Financial Statements available on Grindrod's website for further detail on new standards and interpretations not yet adopted. Key accounting estimates and judgements are disclosed in note 1 of the Annual Financial Statements.

Events after the reporting date

The joint venture transaction between Maersk Logistics and Services operations was concluded with all conditions precedent fulfilled on 1 January 2023.

In January 2023, the Group acquired the remaining shareholding in its joint venture RBT Grindrod Terminals Proprietary Limited.

There are no other material post-balance sheet events to report.

Mandatory external auditor rotation

Following a robust and comprehensive screening and bid evaluation process, the Audit committee and Board of Directors have proposed PricewaterhouseCoopers Incorporated (PwC) to be appointed as the Group's external auditors for the financial year ending 31 December 2024, with Nqaba Ndiweni acting as the designated audit partner.

The change in audit firm is subject to the approval of shareholders, under a non-binding vote, at the Company's Annual General Meeting, which is scheduled to be held on 25 May 2023.

FIVE-YEAR REVIEW

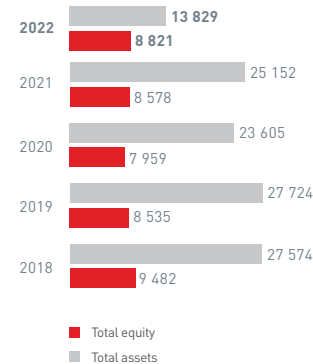
| Rmillion | 2022* | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|
| GROUP INCOME STATEMENT | | | | | |
| Revenue | 5 884 | 3 905 | 3 751 | 3 834 | 3 467 |
| Trading profit before expected credit loss, interest, taxation, depreciation and amortisation** | 1 372 | 1 074 | 547 | 1 097 | 871 |
| Expected credit loss*** | (267) | 12 | (213) | (561) | - |
| Trading profit before interest, taxation, depreciation and amortisation | 1 105 | 1 062 | 334 | 536 | 871 |
| Depreciation and amortisation | (486) | (488) | (526) | (501) | (462) |
| Profit/(loss) before net interest, taxation and non-trading items | 619 | 574 | (192) | 35 | 409 |
| Non-trading items | 61 | (401) | (194) | (335) | (482) |
| Net interest income/(expense) | (77) | (127) | (211) | (142) | 96 |
| Profit/(loss) before associated and joint venture companies | 603 | (46) | (597) | (442) | 23 |
| Associated and joint venture companies | 575 | 307 | 306 | (117) | 211 |
| Profit/(loss) before taxation | 1 178 | 353 | (291) | (559) | 234 |
| Taxation | (348) | (102) | (120) | 9 | (180) |
| Profit/(loss) after taxation including associated companies | 830 | 251 | (411) | (550) | 54 |
| Loss after taxation from discontinued operation* | (175) | - | - | - | - |
| Profit/(loss) for the year | 655 | 251 | (141) | (550) | - |
| Outside shareholders' interest | 2 | (30) | 47 | - | (8) |
| Profit/(loss) for the year before preference dividends | 657 | 221 | (364) | (550) | 46 |
| Preference dividends | (56) | (45) | (51) | (66) | (66) |
| Profit/(loss) attributable to ordinary shareholders | 601 | 176 | (415) | (616) | (20) |
| Ordinary shareholders' interest in non-trading items | 259 | 442 | 247 | 463 | 500 |
| Headline earnings/(loss) | 860 | 618 | (168) | (153) | 480 |
| GROUP STATEMENT OF FINANCIAL POSITION | | | | | |
| Non-current assets | 7 425 | 8 391 | 8 777 | 9 666 | 9 241 |
| Loans and advances to bank customers | 1 073 | 9 537 | 8 933 | 8 431 | 7 997 |
| Current assets | 5 331 | 7 224 | 5 894 | 9 627 | 10 336 |
| Total assets | 13 829 | 25 152 | 23 605 | 27 724 | 27 574 |
| Total equity | 8 821 | 8 578 | 7 959 | 8 535 | 9 482 |
| Non-current liabilities | 1 818 | 2 066 | 1 603 | 2 581 | 2 156 |
| Deposits from bank customers | - | 11 221 | 9 434 | 11 180 | 10 506 |
| Current liabilities | 3 190 | 3 287 | 4 609 | 5 428 | 5 430 |
| Total equity and liabilities | 13 829 | 25 152 | 23 605 | 27 724 | 27 574 |
| GROUP CASH FLOWS | | | | | |
| Cash available from/(used in) operations | 824 | 798 | (1 993) | 472 | (5 191) |
| Distribution/dividends received/(paid) | (300) | 198 | 218 | (134) | 31 |
| Cash retained from/(utilised in) operations | 524 | 996 | (1 775) | 338 | (5 160) |
| Net cash proceeds on disposal of property, plant and equipment and other items | 544 | 655 | 35 | 397 | 351 |
| Cash available for investment/(utilised) | 1 068 | 1 651 | (1 740) | 735 | (4 809) |
| Cash invested | (455) | (393) | (311) | (305) | (789) |
| Net cash available for financing/(utilised) | 613 | 1 258 | (2 051) | 430 | (5 598) |

* The financial performance of Grindrod Bank to the date of disposal and the disposal impacts are disclosed in one line "Loss after taxation from discontinued operation".

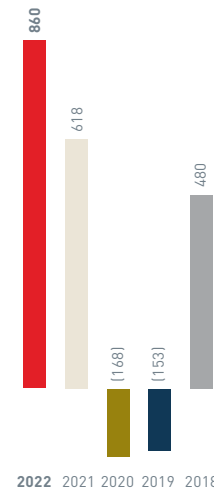
** Current period trading profit includes R311.4 million net fair value losses (2021: R42.2 million) relating to the private equity and property portfolio. In addition, prior period included fair value gains of R238.2 million on Grindrod Shipping shares.

*** Current period includes impairments of R24.5 million (2021: R86.8 million impairment reversals) relating to the private equity and property portfolio. Current period results also include an impairment of R222.5 million on the loan previously advanced to set up the Richards Bay black empowerment structure.

Total equity and assets (Rm)



Headline earnings/(loss) (Rm)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW



REVENUE

▲ 38.8%

R24 360 million

(2021: R17 549 million)

PORT AND TERMINALS

▲ R3 713 million

(2021: R1 413 million)

LOGISTICS

▲ R3 635 million

(2021: R3 242 million)

GROUP

▲ R57 million

(2021: R28 million)

MARINE FUELS AND AGRICULTURAL LOGISTICS

▲ R16 955 million

(2021: R12 814 million)

PRIVATE EQUITY AND PROPERTY

▼ Rnil million

(2021: R52 million)



TRADING PROFIT

▲ 25.8%

R1 917 million

(2021: R1 524 million)

PORT AND TERMINALS

▲ R1 151 million

(2021: R580 million)

LOGISTICS

▲ R1 315 million

(2021: R895 million)

GROUP

▼ R292 million loss

(2021: R171 million)

MARINE FUELS AND AGRICULTURAL LOGISTICS

▲ R102 million

(2021: R43 million)

PRIVATE EQUITY AND PROPERTY

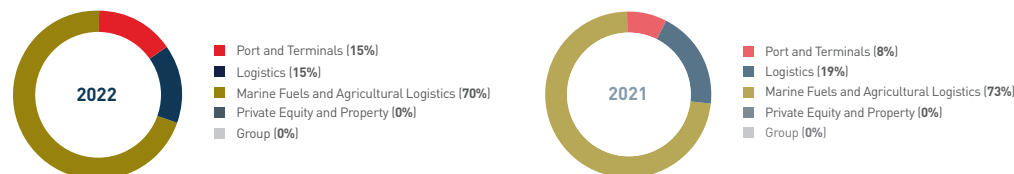
▼ R359 million loss

(2021: R165 million loss)

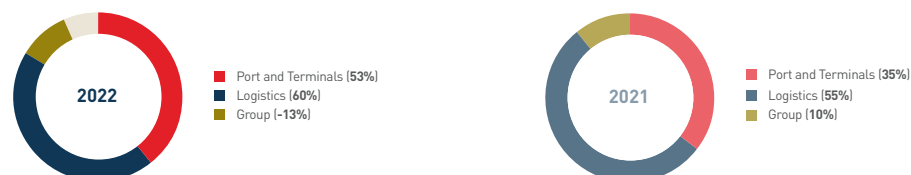
OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

CONTRIBUTION TO FINANCIAL PERFORMANCE

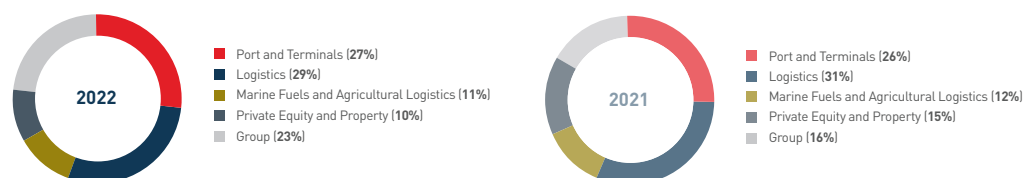
Revenue continuing by business area



Trading profit/(loss) from core operations continuing by business area



Total assets continuing by business area



Capital expenditure by business area

| R million | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------|------|------|------|------|
| Port and Terminals | 266 | 65 | 49 | 98 | 93 |
| Logistics | 486 | 499 | 355 | 356 | 395 |
| Bank | 2 | 4 | - | 2 | 2 |
| Marine Fuels and Agricultural Logistics | - | - | - | - | - |
| Group | 13 | - | - | - | - |
| Shipping* | - | - | - | - | 266 |
| Total capital expenditure** | 767 | 568 | 404 | 456 | 756 |

* Grindrod Shipping spin-off in June 2018.

** 64% (2021: 65%) of capital expenditure was expansionary, and the balance relates to maintenance or replacement capital expenditure.

REVENUE AND CORE OPERATIONS TRADING PROFIT

Volume growth due to strong commodity markets and strategic focus on customer solutions were the drivers of performance in both the Port and Terminals and Logistics business segments. Maputo Port volumes were up 29% against the prior period, capitalising on the additional slab and berthing capacity. Grindrod's drybulk terminals volumes were up 23% on the prior period. Grindrod benefited from further profit participation on 0.5 million tonnes of coal cargo handled, driven by strong customer demand. Grindrod's coastal shipping and container depot business performance benefited from healthy charter rates secured on the leasing and sub-leasing of vessels. The Northern Mozambique graphite operations embedded its alternative breakbulk solution out of the port of Pemba, handling 61 853 tonnes for the period. The clearing and forwarding business delivered solid results for the period, supported by favourable freight rates.

ASSETS

Following the sale of Grindrod Bank, total assets have declined, partially offset by an increase in exchange rates and growth.

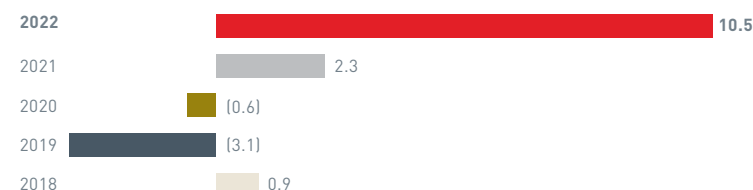
Investment in assets (at cost)

▲ **35.0%**
R767 million
(2021: R568 million)

Return on net assets

▲ **10.5%**
(2021: 2.8%)

Return on net assets (%)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

PORT AND
TERMINALS

PORT

Our investment in MPDC holds the concession for the Maputo port in Mozambique, a gateway to international export markets.

TERMINALS

Our infrastructure is designed to handle a variety of bulk, breakbulk commodities, vehicles and containers:

- Car terminal.
- Drybulk terminals.
- Multi-purpose terminals.
- Stevedoring.

OVERVIEW

The Port and Terminals division manages investments with a capital-intensive barrier to entry, which provide the backbone for offering integrated logistics solutions along key trade corridors, in partnership with the Logistics division.

Our terminal facilities are strategically positioned in Maputo, Richards Bay, Durban, Cape Town and Walvis Bay, providing an efficient service to importers and exporters. State-of-the-art supply chain management software enables real-time views of cargo status, stockpile position and performance. Dashboards track the cargo, assisting our customers in managing their shipments moving through the ports.

Key challenges 2022

- Floods in KwaZulu-Natal.
- Shortage of locomotives.
- Collision between a vessel and the TCM berth.
- Impacts of the Port strike.
- Derailments and infrastructure vandalism.

Key achievements 2022

- Maputo Port volumes up 29% against prior period.
- Profit participation in 0.5 million tonnes of coal handled.
- Collaboration with South African miners, Eswatini Rail and Mozambique Ports and Railways (CFM).
- Maputo sized coal increased volume by 393%, and Maputo Car Terminal (MCTL) increased volumes handled by 62%, on the prior period.
- Completed deployment of SHERQ portal.
- Successful ISO and IMS audits.
- Achieved record loading on a single vessel of 148 201 tonnes.
- Growth in line with customer demand, back of port facility for Matola, additional temporary footprint for sized coal terminal and petcoke terminal area in Namibia.
- Developed and delivered value-added solutions for coal customers in line with strategy.
- Solutions for junior miner volumes in excess of 3.2 mtpa.
- Completed the buy-up of Navitrade coal terminal post year-end.

Number of employees

▼ 8.8% 1 077 employees
(2021: 1 181)

Total GHG emissions (CO₂e)

▲ 7.8% 16 590 tonnes
(2021: 15 394 tonnes)

Revenue

▲ 162.8% R3 713 million
(2021: R1 413 million)

Fatalities

● Zero
(2021: Zero)

LTIFR

▲ 0.40
(2021: 0.37)

Electricity usage

▼ 11.3% 6 582 kWh
(2021: 7 421 kWh)

Trading profit

▲ 98.4% R1 151 million
(2021: R580 million)

Water usage

▲ 2.5% 72 068 kl
(2021: 70 328 kl)

US\$-based revenue

▲ 230.5% R3 156 million
(2021: R955 million)

Total land-based diesel

▲ 9.9% 2 348 kl
(2021: 2 137 kl)

OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

OPERATING CONTEXT AND MARKET TRENDS

Grindrod's purpose is to make a positive difference in Africa's trade with the world, touching the lives of the communities in which we operate. Through its presence in the port and terminals, its logistics capabilities, covering, clearing and forwarding, marine logistics, project cargo handling and rail, Grindrod remains well positioned to deliver on its purpose.

The outlook on the operating environment is volatile. Global growth is receding and sub-Saharan Africa's growth outlook is facing headwinds. However, East Africa is expected to remain resilient. Global inflationary pressures will increase input and capital funding costs. Momentum in the mining commodity markets is slowing down, particularly in the steel-making input minerals. The coal market outlook remains unfavourable in the long-run due to the green energy demand dynamics. However, the energy transition dynamics impact the timing and manner of transition.

PERFORMANCE

Port of Maputo

A new handling record was achieved by the Port of Maputo in 2022, having registered growth of 20% compared to 2021 in own and sub-concession volumes. The total volume handled in 2022 was 26.8 million tonnes, against 22.3 million tonnes in 2021. This growth reflects the efficient usage of the rehabilitated berths 6, 7, 8 and 9, which were inaugurated in May 2022, and the implementation of 24-hour operations at the Lebombo-Ressano Garcia border during April 2022.

The record of the biggest loading on a single vessel was broken in 2022, with a total volume loaded of 148 201 tonnes.

Rail volumes for chrome and ferrochrome registered a sharp increase of 73% compared to the previous year (from 1.4 million tonnes in 2021 to 2.4 million tonnes in 2022). The rail versus road ratio also showed some improvement, from 21%:79% in 2021 to 26%:74% in 2022, where stakeholders continued to address the need for more balanced volumes between rail and road cargo.

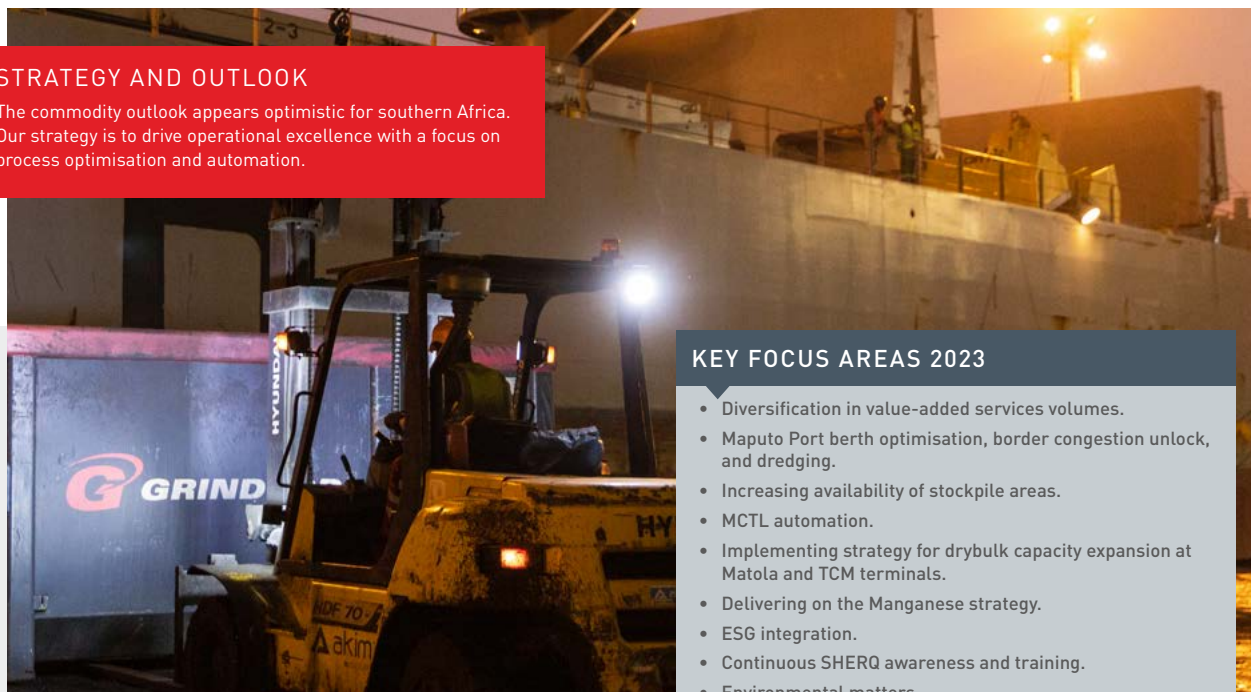
The investment and implementation of automation solutions within the port continued throughout 2022 and even greater efficiency in the logistics supply chain is expected during 2023.

The concession's 20th anniversary will be celebrated during 2023. The Port of Maputo began the implementation of the new masterplan designed to meet future challenges and increase the Port's footprint to meet growing demand. The plan includes using the latest equipment, such as mobile harbour cranes and supporting equipment, to improve efficiencies through improved turnaround times and throughput.

| Tonnes | 2022 | 2021 | % change |
|---------------------------------------|------------|------------|----------|
| Chrome/ferrochrome (own handled) | 9 835 273 | 7 638 362 | 29 |
| Sub-concession and other | 16 936 943 | 14 626 314 | 16 |
| Port of Maputo | 26 772 216 | 22 264 676 | 20 |
| Trucks per day into Maputo (average) | 541 | 438 | 24 |
| Trains per week into Maputo (average) | 17 | 11 | 55 |

STRATEGY AND OUTLOOK

The commodity outlook appears optimistic for southern Africa. Our strategy is to drive operational excellence with a focus on process optimisation and automation.



KEY FOCUS AREAS 2023

- Diversification in value-added services volumes.
- Maputo Port berth optimisation, border congestion unlock, and dredging.
- Increasing availability of stockpile areas.
- MCTL automation.
- Implementing strategy for drybulk capacity expansion at Matola and TCM terminals.
- Delivering on the Manganese strategy.
- ESG integration.
- Continuous SHERQ awareness and training.
- Environmental matters.

Terminals

In the face of unprecedented operational environment challenges, Grindrod continued to deliver efficient and cost effective solutions to its customers. Record volumes of 16 million tonnes were handled by the drybulk terminals. Matola Terminal achieved volumes of 8.1 million tonnes and earnings of R190.5 million. Volumes for the year were 12% higher than budget despite the 10-day ports strike during October 2022. This is the second year in a row that the terminal exceeded its nameplate capacity.

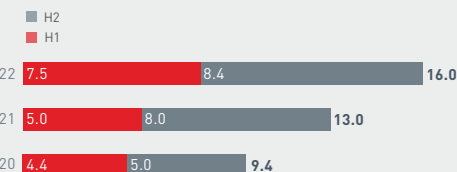
MCTL volumes increased by 62% in vehicle units, resulting in increased earnings of 5%.

The Maputo terminal volume increased significantly, with terminal capacity expanded to 4.5 million tonnes.

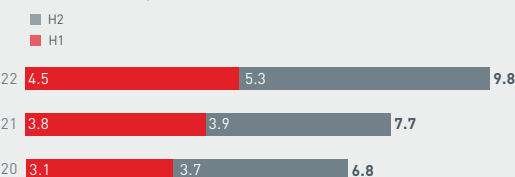
Grindrod's Eswatini corridor solution enhanced traffic flow through the Komatipoort border, benefiting our customers.

Profit participation of 0.5 mtpa coal handled added R167.1 million of earnings.

Terminal volumes (mtpa)



Port volumes (mtpa)



OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

LOGISTICS

OVERVIEW

Logistics provides tailored logistics solutions across the supply chain for the efficient, end-to-end delivery of diversified cargo.

Logistics forms the backbone of global and regional trade and is fundamental to the effective running of most other sectors. Our logistics solutions connect inland corridors to ports and global markets. Grindrod's long-standing strategic relationships and joint ventures have created an extensive network that provides a worldwide presence, specialised skills and exceptional services.

INTERMODAL

We provide solutions through our warehousing, distribution, container depot solutions and transport capabilities.

SEAFREIGHT LOGISTICS

Door-to-door seafreight solutions with a feeder service for containerised cargo in the southern African region.

CONTAINER LOGISTICS

Our container depots in Johannesburg, Cape Town, Gqeberha and Durban provide logistics solutions that include container handling and storage, container structural repairs, reefer services, container transport and parts sales.

SHIPS AGENCY AND MARINE
TECHNICAL SERVICES

We provide a ships agency, logistics and marine technical and engineering services to the maritime, offshore and oil and gas sectors.

RAIL

Our rail business provides full end-to-end customer logistics solutions that include cost-effective rolling stock leasing solutions and rail operations.

CROSS-BORDER AND
PROJECT LOGISTICS

With offices in all the major transit corridors in southern Africa, we can manage projects from start to finish for customers across many industries and feeder service across the southern African region.

CLEARING AND FORWARDING

We offer freight forwarding, customs brokerage and related logistics solutions across five continents.

TRANSPORTATION

We assess all options for transporting bulk/breakbulk cargo to a hub for storage, distribution or export. Road transportation is integrated into our logistics operations. Through strong strategic partnerships with reputable airlines, Röhlig-Grindrod secures preferential rates and delivers reliable, cost-effective, flexible solutions.

Key achievements 2022

- Delivering container depot solutions for our customers.
- Denver container depot park development.
- Improvements to enhance the United Container Depots (UCD) container business.
- Exceptional recovery time following the devastating floods in KwaZulu-Natal.
- Successful completion of the Maersk joint venture.
- Two new sites established and operational.
- Establishment and growth of a long-haul corridor between Durban and Gauteng.
- Increased the cross-border footprint.
- Established Eswatini Freight corridor for moving bulk cargos into the Port of Maputo.
- Conclusion of the five-year contract for iron ore in Sierra Leone, improved deployment and continued execution of the locomotive refurbishment programme.
- East Africa Lake Victoria transport solution progressing well.
- Established an alternative route to market for graphite through the Port of Pemba.
- Increased freight management footprint in SADC, including Zambia and Malawi.
- Established a new footprint in Uganda.
- Delivered our first revenue from our East Africa crude oil pipeline logistics solution.
- Ships Agency reported good profit at the end of the year, specifically Gqeberha and Richards Bay.
- Solid performance by Röhlig-Grindrod.
- Progress in establishing marine logistics capabilities.

Key challenges 2022

- Devastating floods in KwaZulu-Natal.
- Port strike.
- Reduced container volumes as a result of the war in Ukraine.
- Fuel price increases.
- Cost-push inflation.
- Business interruption due to security issues in northern Mozambique.
- Shortage of freight logistics skills in new footprint areas.

Number of employees

▲ 9.2% 2 432 employees
(2021: 2 227)

Total GHG emissions (CO₂e)

▼ 32.5% 74 313 tonnes
(2021: 110 138 tonnes)

Revenue

▲ 12.5% R3 635 million
(2021: R3 242 million)

Fatalities

● Zero
(2021: Zero)

LTIFR

▼ 0.39
(2021: 0.54)

Electricity usage

▼ 26.5% 6 675 kWh
(2021: 9 077 kWh)

Trading profit

▲ 46.9% R1 315 million
(2021: R895 million)

Water usage

▼ 31.8% 74 159 kl
(2021: 108 805 kl)

US\$-based revenue

▼ 12.6% R598 million
(2021: R685 million)

Total land-based diesel

▼ 33.9% 11 277 kl
(2021: 17 068 kl)

OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

OPERATING CONTEXT AND MARKET TRENDS

Post the pandemic, the global logistics sector still faces disruptions which have resulted in delays globally in logistics operations, especially in the seafreight sector.

Challenges faced in the logistics sector have seen a trend of collaborative logistics, with companies coming together to overcome obstacles faced. Other rising trends are warehouse and transport automation to improve efficiencies and productivity through autonomous vehicles. Multimodal or multichannel logistics (the use of all modes of transportation) is becoming prevalent to reduce the dependency on one mode of shipping.

Green logistics is gaining prominence, with switches to alternative fuels and renewable energy to reduce CO₂ emissions. Bio-LNG can reduce up to 85% of emissions.

Outlook

| Market | Current exposure | Short-term fundamentals | Long-term fundamentals |
|-------------|------------------------|-------------------------|------------------------|
| Container | 300 000 m ² | ● | ● |
| Graphite | 360 000 tpa | ● | ● |
| Agriculture | Grapes, citrus | ● | ● |
| Projects | Crude oil projects | ● | ● |

MARKET OUTLOOK

POSITIVE



VOLATILE



NEGATIVE



STRATEGY AND OUTLOOK

The South African government has announced its commitment to creating an efficient and competitive freight transport system, including allowing third-party access to South Africa's rail system. In anticipation of increased demand for readily available locomotives, Grindrod Rail Consultancy Services (GRCS) has commenced the refurbishment of the remaining 14 locomotives that were extracted from Sierra Leone. Our strategic intent is to diversify and grow the logistics footprint beyond northern Mozambique into East Africa and we are seeking appropriate business partners to enable this plan. Key to this is the integration of the Grindrod Logistics Africa business into this East Africa segment, which was completed in May 2021.

PERFORMANCE

Upgraded terminals, redesigned processes and a footprint across southern Africa firmly positions the business as a market leader in container services, warehousing and transport.

The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 134% in 2022. This was underpinned by strong container handling performance and higher shipping rates on the sub-leasing of the chartered vessels, capitalising on favourable market conditions.

Earnings from East Africa were up 95% compared to 2021.

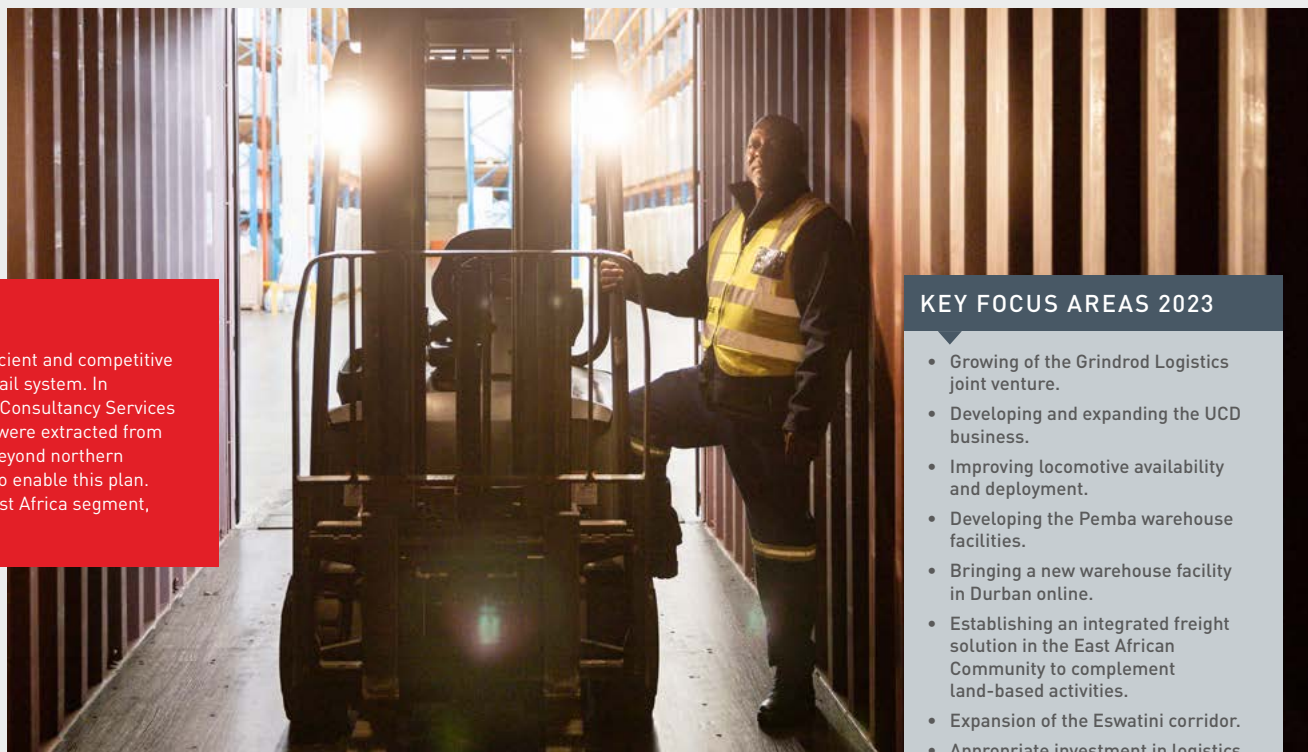
Operations resumed for our Nacala-based graphite operations transporting graphite by road from the mine to our Nacala intermodal facility for transfer to global markets. GLM and Nacala generated earnings of US\$4.3 million for the year, with volumes up 76% on the prior year.

A total volume of 113 281 tonnes (2021: 99 643 tonnes) and 61 853 tonnes (2021: nil) was handled through the Nacala and Pemba facilities, respectively.

Clearing and Forwarding recorded a good performance with earnings of R62.8 million, up 39% on 2021.

SGM improved earnings by R43.1 million exceeding budget by 37%. Ships Agency performed well, and the technical business showed marked improvement in the face of headwinds.

Rail deployment improved from the prior year, albeit under shorter-term contracts. Rail leasing returned earnings of R52.4 million (2021: R27.3 million).



KEY FOCUS AREAS 2023

- Growing of the Grindrod Logistics joint venture.
- Developing and expanding the UCD business.
- Improving locomotive availability and deployment.
- Developing the Pemba warehouse facilities.
- Bringing a new warehouse facility in Durban online.
- Establishing an integrated freight solution in the East African Community to complement land-based activities.
- Expansion of the Eswatini corridor.
- Appropriate investment in logistics infrastructure in the Port of Pemba and Uganda.

EXCEEDING CUSTOMER EXPECTATIONS

Our greatest asset is our people, and their can-do attitude motivates them to take on any challenge, exceed expectations and overcome barriers. Together, we are a united, agile, enthusiastic force – committed to providing our customers with innovative, efficient and cost-effective logistics solutions.

OUR STORIES

OPENING TRADE CORRIDORS

Grindrod's Matola terminal in Maputo received its second train from Botswana and successfully discharged 50 wagons using the terminal's tipplers. This marks a significant milestone for Grindrod's drybulk terminal in the main Port of Maputo, Mozambique. Grindrod is proud to be part of this initiative to unlock trade corridors, and it is envisaged that this corridor could realise an annual volume throughput of 350 000 to 400 000 metric tonnes of coal from Botswana earmarked for the global market.



OUR STORIES

EXPANDING TO MEET GLOBAL DEMAND

Global coal demand remains high amid the ongoing global energy crisis. In response to the increasing demand for export capacity, the Maputo and Matola drybulk terminals (GML and TCM), the sub-concessions of the MPDC, have sought to expand their footprints to meet demand.

GML's throughput was increased from the current capacity of 1.5 million tonnes per annum to 4.5 million tonnes per annum in the first half of 2022, representing an increase of 200%. TCM's capacity is expected to increase substantially following further investment in infrastructure, subject to approvals being received.

These enhancements will increase South Africa's mining exports on a year-on-year performance basis, bolster volume exports by existing port users and promote port access to new users.

The expansion plans are included in the Port of Maputo's new masterplan, which was presented in May 2022 during the Maputo Port's Conference.

OUR STORIES

PORT OF MAPUTO INAUGURATES REHABILITATED BERTHS

A total of 1 058 metres of berthing area was inaugurated in May 2022 by the President of Mozambique, Filipe Jacinto Nyusi. The berths were rehabilitated, expanded, and dredged to depths of up to 16 metres and are now fully operational, allowing the port to receive and load an increasing number of bigger vessels (capesize).

Preceding the berth inauguration, MPDC held the Seventh Conference of the Port of Maputo, presenting its recent achievements and the port's plans up to and beyond 2043.

Planned investments include:

- Construction of a new berth for bulk cargo.
- Creation of a food terminal (grains, sugar, vegetable oils, molasses).
- Expansion of the container terminal.
- Development of the intermodal container terminal.
- Expanding TCM capacity.

The vision for the port's future considers the fundamental principles of port planning in its interaction with the city, port efficiency, and sustainable development.

OUR STORIES

BOLSTERING ECONOMIC DEVELOPMENT THROUGH THE EAST AFRICA MARINE TRANSPORT FERRY

During the year, a keel-laying ceremony took place in Uganda, marking an important milestone in the construction of the East Africa Marine Transport Ferry. Once built, the 96-metre-long purpose-built roll-on/roll-off ferry will transport fully laden trucks, operating a safe, scheduled freight service between Port Bell (serving Kampala, Uganda) and the port at Mwanza South, Tanzania. Grindrod is proud to be part of this project and believes it will have a sustainable impact on the local economy, alleviating many of the challenges faced by businesses in the region while promoting trade and contributing to economic growth.



OUR STORIES

THE COBRE PANAMA PROJECT – ANOTHER SUCCESS STORY FOR OUR PROJECT CARGO TEAM

Grindrod is a global logistics provider specialising in heavy-lift, project-related and oversized cargo. Cobre Mine Panama is a large open-pit copper mine located 120 kilometres west of Panama City, with a concession consisting of four zones totalling 13 600 hectares. Equipment was sourced globally in preparation for the mine opening, including from suppliers and manufacturers of mining equipment from the Democratic Republic of Congo, Zambia and South Africa. Grindrod was contracted to provide a range of onshore services and provided an integrated freight logistics solution, including full project management support and timeline management for 24 months to ensure delivery of the equipment to the mine in Panama within the estimated cost and time budgets. Equipment included ball and sag mills, mill shells, abnormal disassembled cranes and many manufactured components for the new mine.

The abnormally large out of gauge equipment was road hauled from the source in the DRC and Zambia to the Port of Durban in South Africa for export. The project utilised 11 vessels over the two years. Due to the complexity of scale and domicile, a dedicated team of project cargo specialists constantly tracked and managed the consignments to remain within timelines, budgets and restrictions during transit, constantly updating key stakeholders to progress against expectations. Circumstances such as border delays had to be proactively managed to avoid demurrage costs and related standing time charges. The integrated nature of the solution required hands-on management of various sub-contractors for heavy lifts and road haulage, freight and route surveys in order to mitigate liability risks from origin to destination. Grindrod's extensive port, cross-border and intra-Africa knowledge was imperative to the project's eventual success.



OPERATIONAL REVIEWS: DIVISIONAL REVIEW continued

NON-CORE BUSINESS

THE PRIMARY NON-CORE BUSINESSES ARE

- Marine Fuels.
- Private Equity and Property portfolio investments.

KEY FOCUS AREAS 2023

- Capital allocation.
- Return on Equity and ROIC.
- Managing realisation of assets.

NORTH COAST LAND ADVANCES

Management is exploring options to recover the loans advanced to the KwaZulu-Natal north coast property owners at a carrying value of R1.1 billion as at 31 December 2022.

PRIVATE EQUITY

The private equity portfolio of R319.2 million now consists of one significant private equity investment.

MARINE FUELS

The Marine Fuels business was profitable, benefiting from the higher fuel margins resulting from the Russo-Ukrainian conflict. Marine Fuels reported a profit of R87.4 million (2021: R40.0 million).



GOVERNANCE PRINCIPLES AND PRACTICES



CLEMENT DONCABE
REACH STACKER DRIVER, GRINDROD LOGISTICS

LEADERSHIP PRINCIPLES

We are one Grindrod, **transparent** and **honest**, united by a **bold purpose** and **clear strategy**.

- 58 Corporate governance report
- 63 Committee reports
- 65 Social and Ethics and Sustainability committee report
- 66 Managing performance through remuneration
- 74 Limited assurance report on certain non-financial information