



## OVERVIEW

Grindrod delivered a strong performance in the first five months of 2022 ("period").

Earnings and operational performance in the Port and Terminals, and Logistics businesses was pleasing, underpinned by significant volume growth compared to the prior period.

The Bank also recorded healthy growth in its earnings compared to the prior period.

Proceeds, of R150 million, realised from the disposal of a non-core asset, was applied to settle private equity debt.

## OPERATIONAL REVIEW

### PORT AND TERMINALS

The port volumes grew by a commendable 26% compared to the prior period. In May the Maputo port inaugurated 1 058 meters of berthing area. These berths, expanded and dredged to depths of up to -16 metres, are now fully operational, allowing the port to receive and load an increasing number of bigger vessels.

Volumes from Grindrod's drybulk terminals grew by 47% compared to the prior period. This is remarkable growth given disruptive weather challenges and a 20-day suspension of the vessel loading activity at Matola in April due to the damage on the terminal's berth infrastructure.

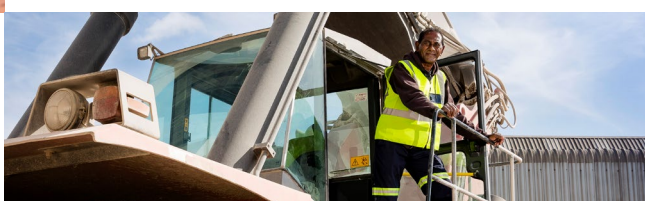
Grindrod's Maputo Car Terminal volumes grew 51% against the prior period. The terminal benefitted from increased car transhipment volumes and project cargo storage.

### LOGISTICS

Grindrod's coastal shipping and container depot business performance is significantly up compared to the prior period. The business recovered well from the impact of severe floods at five of its depots in KwaZulu-Natal due to the dedication of our employees. Operations resumed two weeks after the infrastructure rehabilitation had commenced. Interim insurance proceeds have offset the asset impairments required as a result of the flood damage.

Grindrod Rail deployed an additional three locomotives to its Tonkolili iron ore mine customer in Sierra Leone, increasing its total fleet in that operation to 11. The overall locomotives deployment is 47% up on the comparative period's 32%.

The Northern Mozambique graphite operations and the clearing and forwarding business delivered solid results for the period.





## BANK

Grindrod Bank's advances remained stable whilst its deposits grew by 7% during the period, to R12 billion. The Bank remains cautious in its lending activities and retained a large surplus liquidity of R5 billion at the end of May. The Bank is committed to quality lending and maintained compliance with its capital and liquidity ratios.



## INVESTMENT IN MARINE FUELS

Management continues to work with the Marine Fuels management and co-shareholder to exit this investment.

## PRIVATE EQUITY

Progress continues on the strategy to realise the private equity portfolio which now consists of one significant private equity investment and loans provided to the owners of KwaZulu-Natal North coast properties.

The medical investment disposal was successfully concluded for R150 million during the period. The strategy remains to exit the Asset Financing investment at the right valuation.

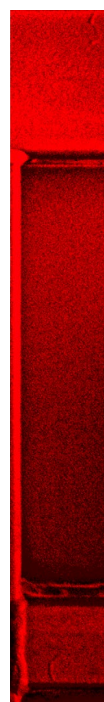
Management continues to work with the owners of the KwaZulu-Natal North coast properties to realise the Group's significant exposures.

## CORPORATE TRANSACTIONS

In early April the fuel carrier fleet in Botswana was disposed at carrying value. This concludes the exit from the road transportation businesses in line with the Group's strategy.

The joint venture transaction, wherein Grindrod's coastal shipping and container depot business will merge with the current Maersk Logistics and Services operations, was approved by the Competition Commission. The process is underway to execute on the remaining conditions precedent.

Following the announcement of the disposal of Grindrod Bank to African Bank for a consideration of R1.5 billion, efforts are now focused on meeting the conditions precedent, including securing the necessary approvals, to close the transaction.



## STRATEGY

### CONCLUSION

Grindrod remains focussed on delivering efficient and cost-effective logistics solutions to its existing and new customers.

