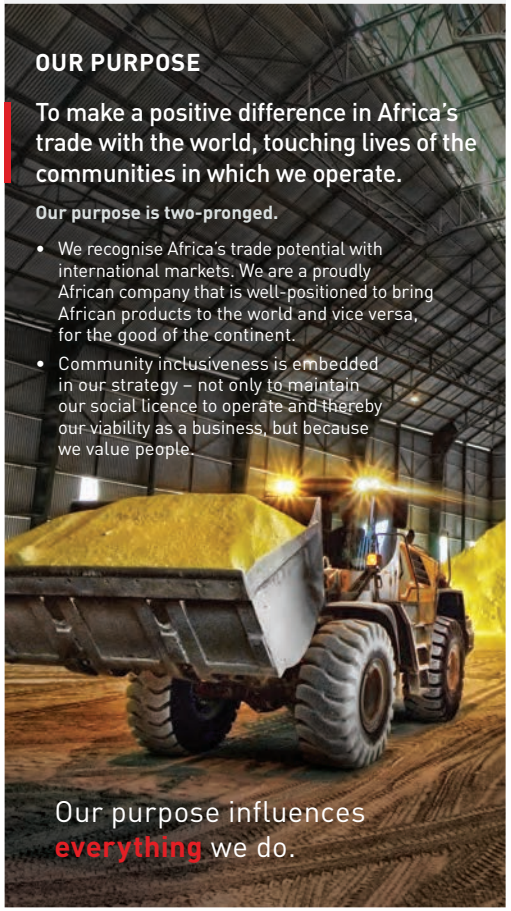
STRATEGIC REVIEW

FREIGHT SERVICES

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

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



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

CUSTOMER

Focus areas

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

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

OUR PEOPLE & COMMUNITIES

Focus areas

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

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

OPERATIONAL EXCELLENCE

Focus areas

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

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

MARKET DIFFERENTIATION

Focus areas

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

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

REVENUE GROWTH

Focus areas

- Value adding partnerships.
- Acquisitions.

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

SHAREHOLDER VALUE

Focus areas

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

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

STRATEGIC REVIEW continued

KEY METRICS ACROSS THREE HORIZONS

The strategy is being executed across three horizons:

RENOVATE
existing products, maximise impact in existing markets

Horizon 1
OPERATIONAL EXCELLENCE

The focus is on enhancing our customer solution offering, providing alternative and additional logistics capabilities to maximise utilisations across Port and Terminals.
We target a 15 percent ROE for Port and Terminals, and Logistics.

OPTIMISE
new solutions based on existing capabilities

Horizon 2
EXTEND CURRENT BUSINESS

Extend the current business through both greenfield and acquisitive growth.

INNOVATE
to create new markets

Horizon 3
DEVELOP NEW PLAYING FIELDS

Develop new game-changing businesses/research and development.

KEY TARGETS

- Increasing locomotive deployment rate.
- Driving acquisition of adjacent businesses to our existing businesses.
- Growing agricultural and manganese solutions.
- Expanding our footprint into East Africa.
- Responding to Private Sector Participation (PSP) opportunities.

BANK

Grindrod Bank's strategy consists of three pillars that aim to maintain the Bank's strengths, while positioning it for sustainable long-term growth.

While the pillars overlap operationally, each serves to sustain the Bank in the immediate, medium and long term.



PRESERVE
Continue with our existing core business

Grindrod Bank has traditionally maintained a strong property and investment banking customer base. The aim is to preserve this core base and maintain excellence and competence in terms of governance, operations and regulatory compliance. Maintaining principles of good corporate governance, while enhancing our immediate revenues, is a hygiene factor for achieving the other two pillars of the strategy.

REPOSITION
Grow our SME customer base

SMEs play an important role in most economies, especially in developing countries. SMEs comprise the majority of businesses worldwide and contribute to job creation and economic development. However, access to finance is often cited as an obstacle to SME growth. Grindrod Bank aims to take advantage of the opportunities presented by the SME market in South Africa. We are building our transaction capabilities to serve SME clients, including through:

- SME-focused loans.
- SME-focused deposit products.
- Transactional banking capabilities.

FUTURE-PROOF
Expand platform banking

Platform banking is the new frontier for Grindrod Bank. By partnering with fintechs, large non-banking corporates, and high-end established technology companies, we have access to a much larger pool of potential customers through digital banking – without the immense technology infrastructure and development investment other banks have to make. We currently have two key platform partners and will look to collaborate with other credible organisations.

GOALS FOR 2025

- All Bank units being profitable.
- Introducing substantial new capital.
- Delivering an ROE of more than 14 percent.
- A Cost to Income ratio below 55 percent.
- Further embracing technology.
- Commanding the platform banking space.
- Ensuring B-BBEE shareholding of at least 25 percent.
- SMEs to comprise 50 percent of the Bank's advances.
- Being recognised as a responsible ESG bank.