OPERATIONAL REVIEWS DIVISIONAL REVIEW

Revenue

^ 10.2%

R18 037 million
(2020: R16 370 million)

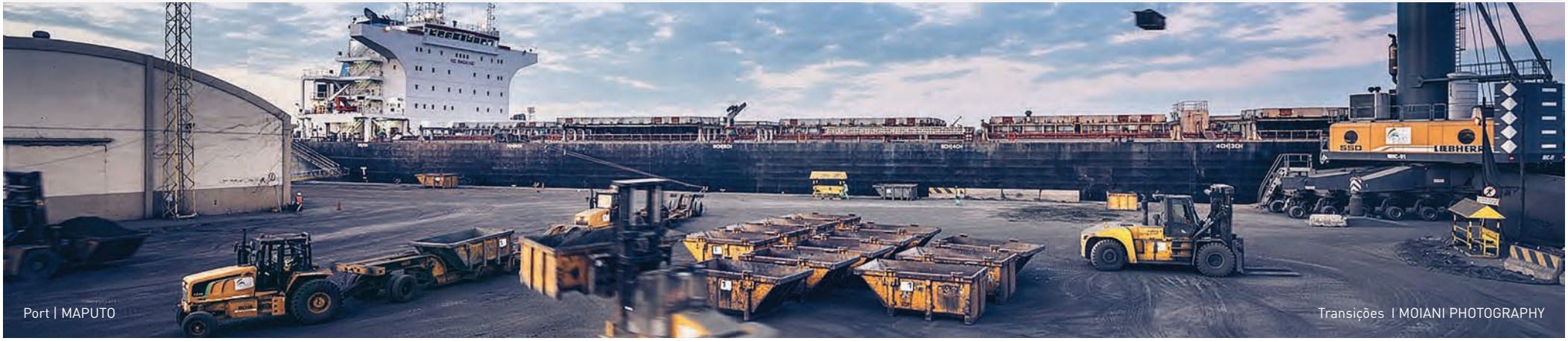
Port and Terminals **R1 413 million** (2020: R1 082 million)	^30.6%
Logistics **R3 242 million** (2020: R3 232 million)	^0.3%
Bank **R488 million** (2020: R378 million)	^29.1%
Group **R28 million** (2020: R57 million)	˅50.9%
Marine fuels and agricultural logistics **R12 814 million** (2020: R11 505 million)	^11.4%
Private equity and property **R52 million** (2020: R116 million)	˅55.2%

Trading profit

^ 71.5%

R1 664 million
(2020: R970 million)

Port and Terminals **R580 million** (2020: R461 million)	^25.8%
Logistics **R895 million** (2020: R907 million)	˅1.3%
Bank **R140 million** (2020: R38 million)	^268.4%
Group **R171 million** (2020: R50 million loss)	^442.0%
Marine fuels and agricultural logistics **R43 million** (2020: R104 million)	˅58.7%
Private equity and property **R165 million loss** (2020: R490 million loss)	^66.3%



Port | MAPUTO

Transições I MOIANI PHOTOGRAPHY

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OPERATIONAL REVIEWS / DIVISIONAL REVIEW continued

CONTRIBUTION TO FINANCIAL PERFORMANCE

Revenue (management) by business area (%)



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



Total assets (management) by business area (%)



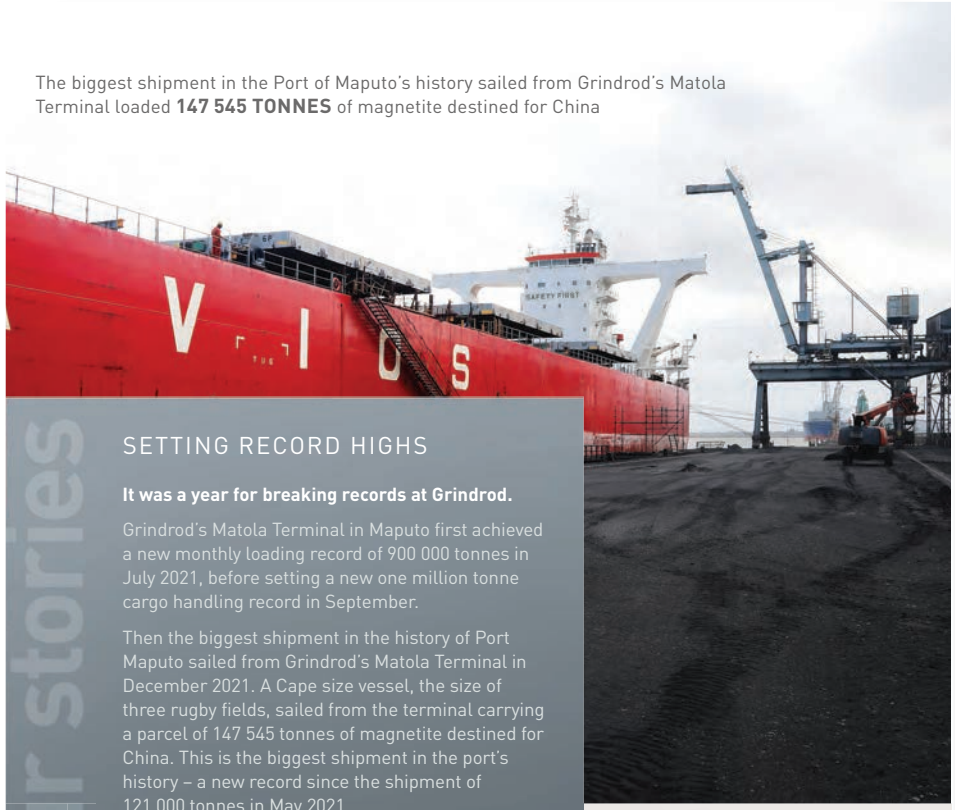
Capital expenditure by business area (Rm)

	2021	2020	2019	2018	2017
Port and Terminals	**65**	49	98	93	165
Logistics	**499**	355	356	395	329
Bank	**4**	–	2	2	8
Marine Fuels and Agriculture Logistics	**–**	–	–	–	1
Shipping*	**–**	–	–	266	155
Total capital expenditure**	**568**	404	456	756	658

* *Grindrod Shipping unbundled in June 2018.*

** *65 percent (2020: 54 percent) of capital expenditure was expansionary, and the balance relates to maintenance or replacement capital expenditure.*

The biggest shipment in the Port of Maputo's history sailed from Grindrod's Matola Terminal loaded **147 545 TONNES** of magnetite destined for China



our stories

SETTING RECORD HIGHS

It was a year for breaking records at Grindrod.

Grindrod's Matola Terminal in Maputo first achieved a new monthly loading record of 900 000 tonnes in July 2021, before setting a new one million tonne cargo handling record in September.

Then the biggest shipment in the history of Port Maputo sailed from Grindrod's Matola Terminal in December 2021. A Cape size vessel, the size of three rugby fields, sailed from the terminal carrying a parcel of 147 545 tonnes of magnetite destined for China. This is the biggest shipment in the port's history – a new record since the shipment of 121 000 tonnes in May 2021.

The shipment took meticulous planning and a collaborative effort by all parties, including the customer, Maputo Port Development Company (MPDC) marine services, the vessel agent and Matola Terminal operations. It was teamwork that ensured the vessel's successful loading and departure.

"Investment in the port and exceptional teamwork has allowed us to deliver the most efficient and cost-effective customer solution," said Xolani Mbambo, CEO of Grindrod Freight Services.

In 2017, as part of the Port Maputo channel dredging and port expansion project, the TCM berth pocket was deepened to 15.5 meters chart datum to receive and load larger vessels targeting post-Panamax vessels. In 2021, TCM started to receive Cape size vessels.

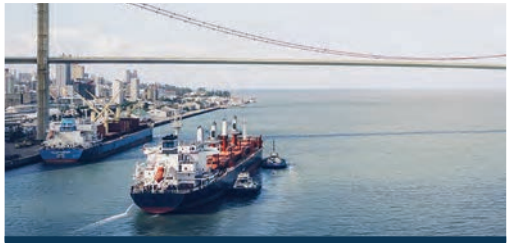
OPERATIONAL REVIEWS continued

PORT AND TERMINALS

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.



PORT

Maputo Port Development Company (MPDC) holds the concession for the Maputo port in Mozambique, a gateway to International markets. As part of our goal to open the world to Africa's immense opportunities, we set about ensuring that the upgraded port and infrastructure would live beyond the concession period and contribute to the economic growth of Mozambique for years to come.



TERMINALS

Grindrod's terminals provide a gateway to and from international markets, providing an efficient service to importers and exporters of various commodities. Our infrastructure is designed to handle a variety of bulk, break-bulk commodities, vehicles and containers:

- **Drybulk terminals**
- **Car terminal**
- **Stevedores**

Key achievements 2021

- Maputo port chrome and ferrochrome volume up 23 percent, and overall Port volumes grew by 21 percent.
- Slab capacity at the port up 89 percent to 9.3 million tonnes p.a.
- Matola terminal volume up 50 percent, overall Terminals up 38 percent.
- Capacity utilisation at Matola was 85 percent, up from the prior period's 72 percent record performance.
- Completion of the Maputo berth rehabilitation and expansion project.
- 100 percent COVID-19 vaccination coverage in Maputo port and Matola terminal.

Key challenges 2021

- A fire at the Port of Richards Bay caused extensive damage to the RBTG coal export conveyor route.
- Underperformance in rail business.
- COVID-19 lockdowns continued to disrupt operations across southern Africa.
- Rail allocation and Mozambique border congestion.
- Inclement weather.

SOCIAL

Number of employees[1]

▼ 11.3%

1 181 employees

(2020: R1 332)

Fatalities

▼ 100.0%

0 fatalities

(2020: 1)

LTIFR

▼ 21.7%

0.36

(2020: 0.46)

ENVIRONMENTAL

Total GHG emissions (CO_2e)

▲ 21.3%

15 391 tonnes

(2020: 12 690 tonnes)

Electricity usage

▲ 8.5%

7 421 kWh

(2020: 6 841 kWh)

Water usage

▼ 12.6%

70 328 kl

(2020: 80 462 kl)

Total land-based diesel

▲ 102.8%

2 137 kl

(2020: 1 054 kl)

ECONOMIC

Revenue

▲ 30.6%

R1 413 million

(2020: R1 082 million)

Trading profit[1]

▲ 25.8%

R580 million

(2020: R461 million)

US Dollar based revenue

▲ 34.5%

R955 million

(2020: R710 million)

[1] *Includes joint ventures and associates at 100 percent shareholding.*

OPERATIONAL REVIEWS / PORT AND TERMINALS continued

OPERATING CONTEXT AND MARKET TRENDS

Grindrod's Port and Terminals operate in environments driven by trade flows in select commodity markets. These in turn are impacted by global demand and consumption trends, commodity prices, associated logistics supply chains, the competitive landscape, regulatory and legislative compliance and social, technological and environmental aspects. Ports and port-based terminals are influenced by key trends in the maritime sector and impacted by demographic (population growth, urbanisation and the geopolitical environment), technological (innovation and the decreasing cost of technology) and sustainability (climate change, regulation and society) drivers.

Port and Terminals benefited from the increase in demand for minerals globally, together with the bumper crop experienced in South Africa. Iron ore prices reached 10-year highs throughout the first half of 2021, followed by a sharp decline in the third quarter of 2021 due to stringent steelmaking restrictions implemented in China. Thermal coal rallied strongly in 2021. Its performance was initially boosted by rising oil prices and strong Asian demand fueled by economic recovery and increased natural gas prices.

The COVID-19 pandemic adversely influenced asset utilisation and subsequent profitability through lockdown restrictions and the disruption of crucial supply chains. These lockdowns hampered the production of most commodities, disrupted the accumulation of export volumes and the delivery of inbound cargo to inland destinations.

2021 FOCUS AREAS

Grindrod's Port and Terminals operations focused on improved business resilience, efficiency and effectiveness to manage economic and social impacts – both positive and negative. These included:

- Improving rail allocation and port performance in Richards Bay.
- Optimising berth utilisation at the Maputo port and Matola terminal.
- Addressing low margins at the Matola terminal.
- Completing automation of Maputo port operations.
- Overcoming bottlenecks at the Mozambique border.
- Growing the current manganese solution beyond Maydon Wharf.
- Positioning Grindrod for terminal handling PSP opportunities.
- Rolling out the newly approved Maputo port masterplan.

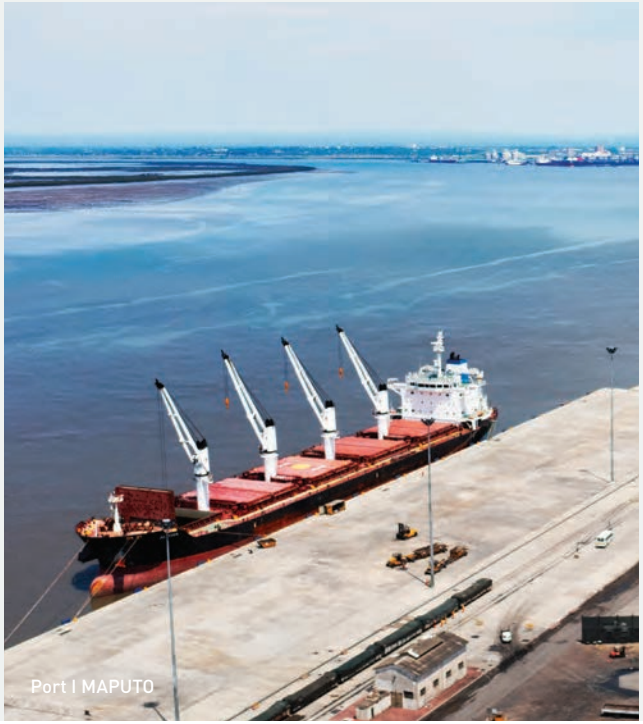
PERFORMANCE

Port of Maputo

Maputo port volumes increased by 21 percent to a record 22.3 million tonnes with the port's slab capacity increased by 89 percent to 9.3 mtpa following completion of capital projects. There was also a recovery in road haulage, which grew by 28.8 percent to an average of 438 trucks per day (2020: 340).

Tonnes

	2021	2020	% change
Chrome/ferrochrome	**6 538 345**	5 320 112	22.90%
Sub-concession and other	**15 726 330**	13 063 032	20.39%
Port of Maputo	**22 264 675**	18 383 144	21.11%
Trucks per day into Maputo (average)	**438**	340	28.82%
Trains per week into Maputo (average)	**11**	11	0%


Port | MAPUTO

Terminals

Record volumes of 8.3 million tonnes were handled at Matola drybulk terminal, due to volume growth. Matola achieved a record-breaking one million tonnes on improved rail and terminal efficiencies for the month of September 2021. This followed the record set in July 2021 of 900 million tonnes.

Maputo Car Terminal (MCTL) volumes increased by 23 percent in vehicle units, resulting in increased earnings of more than 500 percent, further boosted by project cargo handled during the year.

On 13 October 2021, a fire at the Port of Richards Bay caused extensive damage to the coal export conveyor route, resulting in significant business interruptions at our drybulk terminal and stevedoring operations. Grindrod worked with Transnet in finding a workable interim solution for our customers.

We are more than doubling up capacity at Maputo drybulk facility (GML) to cater for an increased coal export demand.



STRATEGY AND OUTLOOK

The commodity outlook appears optimistic for southern Africa. We are investigating options to drive operational excellence as part of the new Grindrod Freight Services strategy. These include a focus on process optimisation and automation in the operations space.

KEY FOCUS AREAS 2022

- Completion of the joint venture with Maersk.
- Finalisation of the fuel transportation disposal.
- Improvement of locomotive deployment.
- Execution of East Africa strategy.
- Driving the agriculture logistics solution.
- Deliver on the manganese strategy.
- Respond to PSP opportunities.
- Matola and Maputo drybulk capacity expansion.
- Port capacity utilisation.

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.

ECONOMIC

Revenue
^ 0.3%
R3 242 million
(2020: R3 232 million)

Trading profit[1]
^ 25.8%
R580 million
(2020: R461 million)

US Dollar based revenue
v 2.8%
R685 million
(2020: R705 million)

SOCIAL

Number of employees[1]
v 14.5%
2 227 employees
(2020: 2 605)

Fatalities
v 100.0%
0 fatalities
(2020: 1)

LTIFR
v 14.3%
0.54
(2020: 0.63)

ENVIRONMENTAL

Total GHG emissions (CO_2e)
v 21.9%
110 138 tonnes
(2020: 141 020 tonnes)

Electricity usage
^ 42.1%
9 077 kWh
(2020: 6 388 kWh)

Water usage
^ 65.0%
108 805 kl
(2020: 65 947 kl)

Total land-based diesel
v 16.7%
17 068 kl
(2020: 20 480 kl)

[1] *Includes joint ventures and associates at 100 percent shareholding.*

SHIPS AGENCY AND MARITIME TECHNICAL SERVICES

With a footprint in 12 countries around the Indian Ocean region, we provide a diverse range of solutions to the maritime, offshore and oil and gas sectors.

CLEARING AND FORWARDING

We offer an integrated service offering that encompasses freight forwarding, customs brokerage and related logistics solutions across five continents.

INTERMODAL

Our end-to-end service includes warehousing, distribution and container depot solutions.

CROSS-BORDER AND PROJECT LOGISTICS

With offices in all the major transit corridors in southern Africa, we manage projects from start to finish for many customers across multiple industries.

TRANSPORT

As part of customising a logistics solution for our customers, we opt for the most cost-effective and efficient mode of transport to move cargo to a hub for storage, distribution or export. For this purpose, we evaluate rail and road infrastructure, port facilities, border posts and reputable airlines.

Key achievements 2021

- Strong performance at the coastal shipping and container business with an earnings growth of 33 percent.
- Resumed graphite logistics operation in Nacala, mitigating impact of LNG project suspension in Cabo Delgado.
- Deployed eight locomotives in Sierra Leone's Tonkolili iron ore mine.
- Sale of four locomotives to Uganda Rail for US$4.8 million (effective share).
- Completed buy-up of additional interest in Röhlig Grindrod.
- Progress in disposing of the road transportation business.

Key challenges 2021

- Cost of the movement of locomotives to and from Sierra Leone.
- Poor North-South corridor volumes, mainly due to COVID-19 lockdowns.
- COVID-19 pandemic continued to disrupt supply chains.
- The reduction in the vessels in service due to the security disruption in northern Mozambique that resulted in the suspension of LNG projects.

OPERATIONAL REVIEWS / LOGISTICS continued

OPERATING CONTEXT AND MARKET TRENDS

This sector is influenced by the ever-changing needs of consumers. These drive changes in supply chains, with a greater emphasis on knowledge-based activities to grow capacity and productivity. During 2021, the market experienced strong growth on the back of increased tonnages shipped in respect of economic growth, iron ore, manganese, chrome and ferrochrome, coal and container rates.

Grindrod's activities in the northern Mozambique region relating to the liquefied natural gas project have temporarily ceased due to the insurgency and subsequent indefinite suspension of the gas project at the beginning of April 2021.

The logistics businesses continued to be impacted by the COVID-19 pandemic, with supply chain disruptions driven by protracted delays being experienced at borders. Specific logistical challenges included:

- workforce health and safety.
- stakeholder engagement.
- liquidity and cash management.
- capacity utilisation.
- technological innovation.
- regulatory and legislative compliance.
- business closures.

Grindrod's Logistics businesses constantly adapt to operating environment trends and repositioning for future growth.

2021 FOCUS AREAS

- **Improving margins.**
- **Growing the container business footprint.**
- **Optimising the graphite logistics solution.**
- **Executing on the Maersk joint venture.**
- **Monitoring developments in the Cabo Delgado region to ensure readiness for operational resumption.**
- **Pursuing value extraction from the rail businesses through locomotive disposals or deployment.**
- **Concluding the disposal of the road transportation business.**

PERFORMANCE

The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 33 percent in 2021. This was on the back of heightened citrus and mining mineral exports while we continually provided deep sea shipping lines with innovative solutions for challenges.

Seafreight Logistics and Intermodal

Our Seafreight and landside container operation achieved earnings growth of 33 percent in 2021 on the back of Maersk contingencies and higher depot, transport and terminal volumes.

The Balama graphite mine in northern Mozambique resumed production following a COVID-19 shutdown, with volumes up 88 percent to 99 643 tonnes compared to 2020.

Earnings from East Africa are up 21 percent compared to 2020, excluding R50.4 million losses from ship charters, leases and debtor impairments and R27.8 million impairment of the Palma development.

Grindrod Logistics Mozambique

We resumed our Nacala-based graphite operations by transporting graphite by road from the mine to our Nacala intermodal facility for transfer to global markets. Our resumed graphite logistics has mitigated the negative impact of the LNG project suspension in Cabo Delgado.

Clearing, forwarding, ships agency and maritime technical services

Clearing and Forwarding recorded a good performance with earnings of R38.3 million up 39 percent on 2020. Earnings were impacted by provision releases of R11.3 million.

Ships Agency reported a loss of R5.9 million (2020: profit of R21.1 million) mainly because of losses in the Nova business and fewer port visits due to COVID-19 constraints.

Grindrod's engineering business is limited by poor dry dock infrastructure, while facing competition from dry dock facilities elsewhere.

Rail

Rail Leasing earnings of R27.3 million (2020: loss of R5.1 million) includes the sale of locomotives to Uganda for R11.8 million and the leasing of the locomotives in Sierra Leone to China Kingho for a R23.3 million profit. Driven by strong iron ore prices, six of Grindrod's locomotives stationed in Freetown Sierra Leone were deployed to haul iron ore from Tonkolili mine to Pepel port after the new Tonkolili iron ore project recommenced operations in September last year. Our diesel-driven locomotives provide an attractive alternative to electric rail options. However, Rail Logistics continued to report significant losses resulting from poor transit volumes due to strong competition from road and other corridors competition.

Automotive and fuel transportation

Operating losses for the year amounted to R27.8 million (2020: R80.5 million). The Group took an executive decision to sell Grindrod Fuelogic (South Africa and Namibia) and Grindrod Automotive, effective the end of August 2021, to specialist road transportation businesses within the fuel and car carrier industries. The disposal of the fuel carrier fleet in Botswana was completed on 1 April 2022.

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.

KEY FOCUS AREAS 2022

- **Driving the agriculture logistics solution.**
- **Execution of East Africa growth strategy.**
- **Increase of cross-border footprint.**
- **Respond to PSP opportunities.**
- **Alternative growth initiatives in northern Mozambique.**
- **Improvement of locomotive deployment.**



Project logistics I RICHARDS BAY

OPERATIONAL REVIEW continued

BANK

Key achievements 2021

- Earnings growth of 157 percent, with surplus liquidity in excess of R5 billion.
- A- credit rating and Level 1 B-BBEE.
- Substantial increase in deposit levels.
- Large liquidity surplus.
- Introduction of flexible hybrid working model.
- Zero COVID-19 deaths.
- Over 80 percent of staff vaccinated.
- Launch of Shoprite Checkers platform banking solution.
- Growth in Easy Pay Everywhere accounts (over 1 million active accounts).
- Maturing Domestic Medium Term Notes (DMTNs) were refinanced and increased at a 50 basis point improvement in pricing.

Key challenges 2021

- Ongoing COVID-19 waves delayed ability to raise Tier 2 capital.
- Low economic growth.
- High unemployment.
- July civil unrest impacted credit quality and staff anxiety levels.
- SASSA residual balances remain on the books pending signature of agreements to transfer to National Treasury.
- Muted advances growth due to loan settlements and competitor pricing pressure, especially affecting the property market.

Grindrod Bank significantly improved its overall performance by focusing on quality lending and client and regulator relationships. Banking activities generated a large liquidity surplus of over R5 billion and capital adequacy ratio was 15.7 percent as at year-end, comfortably above regulatory minimums, establishing the Bank as a standalone, self-sustainable contributor to the Group. Although profit for the period was up 157 percent from last year, the Bank remains cautious in its lending activities.

Our strategic focus on platform banking attracted new accounts, proving that ongoing demand and opportunity can be tapped in this area. During the year the Bank entered into an agreement with Shoprite Checkers, which will help future-proof the Bank and attract the clients needed for sustainable growth.

As with most businesses, the shift from in-person to remote working hampered our client engagements and placed pressure on our employees. During 2020 and 2021 the Bank assisted its clients by providing temporary relief on loan obligations.

Grindrod Bank's long-term aim is to be seen as a relevant and responsible mid-tier bank generating an acceptable return to the shareholders. Achieving this requires us to focus on our core business: business banking and platform banking.

KEY FOCUS AREAS 2022

- Continue focused lending, particularly property.
- Grow SME banking.
- Raise Tier 1 or 2 capital to support SME banking growth.
- Consolidate position on platform banking offering.
- Continue with improved deal flow.
- Capitalise on increasing economic activity.
- Introduce strategic partners to support growth.
- Increase return on capital/equity.



This section provides an overview of Grindrod Bank's performance during FY 2021. For more information about the Bank's operating context, strategy and performance, visit the Bank's integrated report at https://www.grindrodbank.co.za/Library.

SOCIAL	ENVIRONMENTAL	ECONOMIC
Number of employees ⌄ 9.7% **176** (2020: 195)	**Water usage** ⌄ 15.2% **4 869 kl** (2020: 5 739 kl)	**Revenue** ^ 29.1% **R488 million** (2020: R378 million)
Fatalities 0% **0 fatalities** (2020: 0)	**Total GHG emissions** (CO_2e) ⌄ 11.4% **2 205 tonnes** (2020: 2 490 tonnes)	**Trading profit** ^ 268.4% **R140 million** (2020: R38 million)
Training spend ^ 108.3% **R2.5 million** (2020: R1.2 million)	**Scope 2 GHG emission** ⌄ 12.6% **1 771 kWh** (2020: 2 027 kWh)	**Core deposits** ^ 19.8% **R10.3 billion** (2020: R8.6 billion)
CSR spend ^ 400.0% **R1.0 million** (2020: R0.2 million)	**Scope 3 GHG emission** ⌄ 6.0% **435 kWh** (2020: 463 kWh)	**Advances/Lending** ^ 5.1% **R8.3 billion** (2020: R7.9 million)

OPERATIONAL REVIEW continued

NON-CORE BUSINESSES

THE PRIMARY NON-CORE BUSINESSES ARE

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

During the year, the sale of shares held in Senwes was executed for R376.0 million. All outstanding conditions were fulfilled at the end of March 2021 and its proceeds were utilised to settle debt.

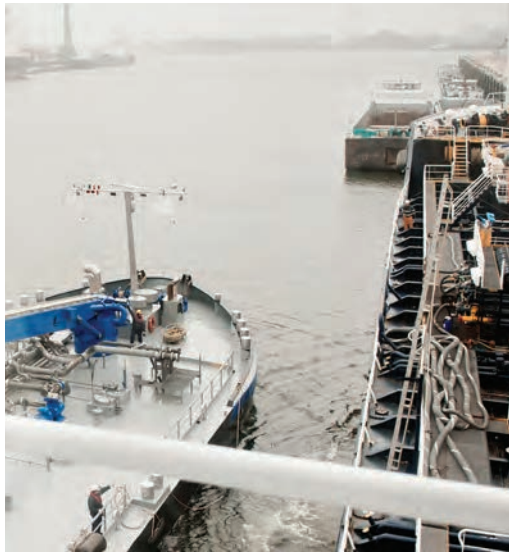
The Marine Fuels business was marginally profitable during 2021 and was reflected at a carrying value of US$30.9 million at year-end.

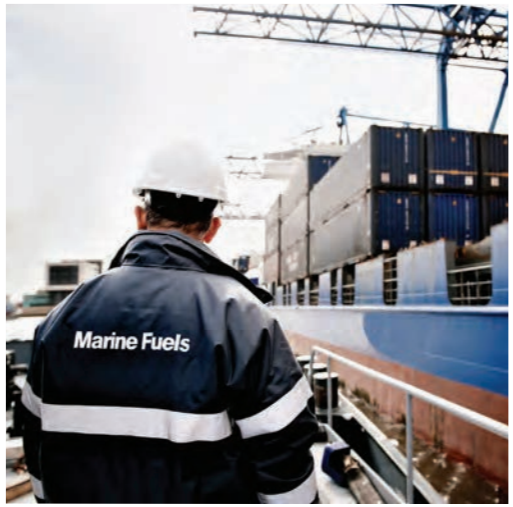
In line with strategy, Grindrod progressed disposals of significant non-core private equity assets during 2021. Proceeds of R1 billion were received on the disposal of investments. The UK real estate investment disposal was concluded in November 2021 for GBP17.4 million.

Independent valuations were performed as at 31 December 2021 on the Blythedale and Addington land. Blythedale was valued at R1.2 billion (2020: R800 million) and Addington was valued at R1.8 billion (2020: R1.6 billion).

KEY FOCUS AREAS 2022

- Exit of the remaining two material investments at the right valuations.
- Settling private equity debt.
- Realising the marine fuels investment and potential settlement of the insurance claim during 2022.







our stories

THEMBELHILE SCHOOL

Thembelihle School provides holistic world-class education to children most in need in the KZN Midlands, with an academic focus on the sciences, technology, engineering, the arts and mathematics. Most of the 535 pupils are orphans living in poverty, without running water, electricity or services. The School, together with the Angels Care Centre and Feeding the Future initiative, also provides meals and access to health care assistance.

During to the COVID-19 pandemic and the civil unrest in KwaZulu-Natal, pupils were provided with a hot meal daily and had learning material delivered to their place of residence.

Incredible and inspirational stories of graduates of the school pushing beyond impossible include alumni of the school achieving top results at universities and multiple A results in matric.

Grindrod is proud to be able to provide support to Thembelihle and be part of the success story of this remarkable school.