

GRINDROD LIMITED UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 30 June 2021



Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

OPERATIONAL HIGHLIGHTS

- Improved performance from Grindrod's Port and Terminals, Logistics, Bank and Group ("core businesses") as operations recovered from the effects of the pandemic
- Maputo port chrome slab/storage capacity doubled
- COVID-19 vaccination at 100% in Maputo port and Matola terminal
- Matola terminal volume up 18%
- Strong performance in the coastal shipping and landside container business with earnings up 60% against the prior period
- Seven vessels re-delivered from liquefied natural gas operations in northern Mozambique subsequent to period end
- Resumption of production at the Balama graphite mine
- Five locomotives re-deployed in Sierra Leone with a further two re-deployed subsequent to period end
- Grindrod Bank's ("Bank") strategic focus on platform banking generated growth in new accounts in the current period

KEY FINANCIAL METRICS

- Revenue from core businesses (inclusive of joint ventures) of R2.4 billion (2020 H1: R2.3 billion)
- Earnings before interest, taxation, depreciation and amortisation from core businesses of R778.9 million (2020 H1: R586.3 million)
- Headline earnings from core businesses of R344.8 million (2020 H1: 23.4 million)
- Net asset value per share of 1 019 cents (2020: 1 075 cents)
- Net debt to equity, (excluding Grindrod Bank and IFRS 16 lease liabilities) of 25% (2020: 26%)

BUSINESS REVIEW

Grindrod's core businesses performance improved during the first six months ended 30 June 2021 ("period") compared to the first six months ended 30 June 2020 ("prior period"), as operations recovered from the effects of the COVID-19 pandemic. Port and Terminals and Logistics benefitted from commodity demand. The Bank remained conservative in lending and maintained strong capital and liquidity ratios.

Port and Terminals

Overall, Port and Terminals reported an increase of 15% on headline earnings compared to the prior period.

Maputo port volumes increased by 7% to 9.4 million tonnes, compared to the prior period. The Matola terminal handled 3.1 million tonnes, up 18% on the prior period. The introduction of road hauled magnetite volumes contributed to the increase albeit at lower margins.

The focus in the second half of the year is to continue our collaboration with Transnet, to increase the rail allocation to our Port and Terminals facilities and address the lower margins at Matola.

Logistics

The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 60% on the prior period. This was on the back of high citrus and mining mineral exports whilst continually providing deep sea shipping lines with alternative solutions through our entire network to alleviate challenges.



Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

Driven by strong iron ore prices, five of the 10 locomotives which were not relocated from Sierra Leone were re-deployed as the Tonkolili mine resumed activities.

The resumption of production at the Balama graphite mine during the period positively impacted the northern Mozambique performance, with volumes expected to ramp up in the second half of the year in line with global demand.

Grindrod's activities in the northern Mozambique region relating to the liquefied natural gas project have ceased due to the insurgency and subsequent indefinite suspension of the gas project at the beginning of April 2021. The business has implemented necessary austerity measures including suspending the activities, non-renewal of contractors and reducing liability exposure to the remaining charters. These actions have necessitated impairments and provisioning of R75.7 million for the period.

The disposals of the Automotive and Fuel Carrier businesses are underway. This necessitated the impairment of goodwill and assets of R260.9 million. Assets and liabilities which will be disposed have been disclosed as non-current assets held for sale.

Bank

Grindrod Bank focused on its client relationships and quality lending during the period, ensuring it retained a strong liquidity and capital position.

Profit for the period was up 38% from last year. The Bank's lending and core deposit books increased by 9% and 23% to R8.6 billion and R10.5 billion respectively from December 2020. The Bank remains cautious in its lending activities. The strategic focus on platform banking has generated growth in the number of new accounts in the current period. The Bank refinanced the DMTN notes that matured in June 2021. The bonds were oversubscribed and the pricing on the new three year notes was 50bps better than those that matured.

Non-core businesses

The Group continues to pursue the sale of non-core assets, however, the market remains challenging.

During the period, Grindrod concluded disposals of private equity assets resulting in total proceeds of R176.0 million, of which R163.7 million was received by period end. Results for the period include impairments and fair value losses of R301.7 million. The carrying value of the private equity and property portfolio as at 30 June 2021 is R983.3 million.

Of the remaining private equity portfolio assets, two material investments have not produced acceptable offers. The strategy remains to exit the investments at the right valuations.

Progress has been made by the owners on the development plan for the properties on the KwaZulu-Natal North Coast. Interest in various nodes within this development has continued and the owners are in the process of launching the prospectus. The strategy remains for Grindrod to have these exposures settled.

As previously reported, the sale of shares held in Senwes was executed for R367.0 million. The outstanding conditions were fulfilled at the end of March 2021, and the transaction was completed. Proceeds have been utilised to settle debt within the Group.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

The Marine Fuels business has been marginally profitable during the period. Management remains committed to the exit of this business.

Group

Results include a mark-to-market gain of R186.2 million on Grindrod Shipping Limited shares due to the increase in its listed share price. The carrying value of the shares after fair value adjustments is R287.9 million (2020: R96.2 million).

Balance sheet, cashflow and debt

The Group generated positive cash from operations of R336.3 million (2020 H1: R507.4 million). Net debt to equity excluding Grindrod Bank and IFRS 16 lease liabilities is 25% (2020: 26%) for the period ended 30 June 2021.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Revenue	1 915 489	1 816 095	3 751 156
Trading profit before expected credit loss and depreciation and amortisation**	373 114	186 716	546 868
Expected credit loss	(47 910)	(36 222)	(213 283)
Depreciation and amortisation	(250 467)	(284 681)	(526 299)
Operating profit / (loss) before interest and taxation	74 737	(134 187)	(192 714)
Non-trading items	(433 451)	(66 154)	(194 479)
Interest received	33 978	66 640	116 488
Interest paid	(114 484)	(203 853)	(326 292)
Loss before share of joint venture and associate companies' profit	(439 220)	(337 554)	(596 997)
Share of joint venture companies' profit after taxation	72 311	150 959	285 303
Share of associate companies' profit after taxation	7 672	4 861	20 439
Loss before taxation	(359 237)	(181 734)	(291 255)
Taxation	(42 616)	(67 017)	(119 828)
Loss for the period	(401 853)	(248 751)	(411 083)
Attributable to:			
Ordinary shareholders	(424 046)	(238 454)	(415 219)
Preference shareholders	22 605	28 162	51 244
Owners of the parent	(401 441)	(210 292)	(363 975)
Non-controlling interests	(412)	(38 459)	(47 108)
	(401 853)	(248 751)	(411 083)
Basic loss per share (cents)	(63.1)	(35.2)	(61.4)
Diluted loss per share (cents)	(63.1)	(35.5)	(61.4)

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

** Current period trading profit includes R96.5 million net fair value losses (2020 H1: R278.2 million) relating to the private equity and property portfolio and Grindrod Shipping shares.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

HEADLINE EARNINGS RECONCILIATION

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Reconciliation of headline loss			
Loss attributable to ordinary shareholders	(424 046)	(238 454)	(415 219)
Adjusted for:	428 514	69 167	247 101
Impairment of intangibles, property, terminals, machinery, vehicles and equipment	40 159	-	7 751
Impairment of investments in joint ventures**	-	-	99 439
Loss on re-measurement to fair value less costs to sell on held-for-sale assets	235 782	-	65 024
Impairment of goodwill**	24 840	82 010	82 010
Net loss / (profit) on disposal of investments	133 837	(4 445)	9 835
Net profit on disposal of plant, terminals, machinery, vehicles and equipment	(1 167)	(11 411)	(51 330)
Gain on bargain purchase	-	-	(10 462)
Foreign currency translation reserve release	-	-	(7 804)
Joint ventures and associates:			
Net profit on disposal of investments	-	-	-
Net gain on disposal of intangibles, property, terminals, machinery, vehicles and equipment	(52)	(30)	(2 062)
(Reversal of impairment) / impairment of intangibles, property, terminals, machinery, vehicles and equipment	(541)	-	42 056
Total taxation effects of adjustments	(4 344)	3 043	12 644
Headline earnings / (loss)	4 468	(169 287)	(168 118)
Ordinary share performance			
Number of shares in issue less treasury shares (000s)	671 747	677 143	671 526
Weighted average number of shares (basic) (000s)	671 678	677 532	676 640
Diluted weighted average number of shares (000s)	671 678	677 532	676 640
Basic headline earnings / (loss) per share: (cents)	0.7	(25.0)	(24.8)
Diluted headline earnings / (loss) per share (cents)	0.7	(25.2)	(24.8)
Dividends per share - interim (cents)	-	-	-
Dividends per share - final (cents)	-	-	-
Dividend cover (headline) (times)	-	-	-

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

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

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Loss for the period	(401 853)	(248 751)	(411 083)
Other comprehensive (loss) / income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(70 558)	783 168	151 413
Items that will not be subsequently reclassified to profit or loss			
Actuarial losses**	-	-	(25 896)
Fair value gain arising on financial instruments**	608	1 271	4 407
Total comprehensive (loss) / income for the period	(471 803)	535 688	(281 159)
Total comprehensive (loss) / income attributable to:			
Owners of the parent	(471 361)	566 433	(238 553)
Non-controlling interests	(442)	(30 745)	(42 606)
	(471 803)	535 688	(281 159)

* Represented for the impact of reclassifying the Marine Fuels and Agricultural Logistics segment back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

** Net of taxation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Property, terminals, machinery, vehicles, equipment	1 645 702	1 993 128	1 951 368
Right of use assets	1 140 825	1 094 801	844 644
Goodwill and intangible assets	525 438	702 477	677 057
Investments in joint ventures	2 774 112	3 325 683	2 771 627
Investments in associates	119 047	118 315	113 987
Investment property	91 617	91 617	91 617
Other investments	1 737 161	2 041 290	1 989 910
Preference share investments by trusts	-	544 900	-
Deferred taxation	146 185	102 416	151 561
Long-term negotiable securities	340 903	-	185 232
Loans and advances	4 665 012	4 173 844	4 804 042
Total non-current assets	13 186 002	14 188 471	13 581 045
Liquid assets and short-term negotiable securities	3 553 281	1 387 441	2 284 018
Current portion of loans and advances	5 008 433	4 423 808	4 129 176
Current portion of preference share investments by trusts	-	582 544	-
Inventories	82 849	112 651	93 092
Trade and other receivables	1 364 491	1 358 154	1 273 663
Taxation	73 745	60 654	29 771
Bank balances and cash	1 847 413	3 810 020	1 846 811
Total current assets	11 930 212	11 735 272	9 656 531
Non-current assets held for sale	219 787	446 874	367 034
Total assets	25 336 001	26 370 617	23 604 610

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Share capital and premium	3 953 695	3 973 018	3 950 427
Non-distributable reserves	1 460 333	2 238 451	1 535 732
Accumulated profit	2 199 546	2 822 509	2 622 984
Equity attributable to owners of the Company	7 613 574	9 033 978	8 109 143
Non-controlling interests	(24 713)	(103 604)	(150 134)
Total equity	7 588 861	8 930 374	7 959 009
Long-term borrowings	289 457	1 054 351	341 490
Lease liabilities	916 857	935 260	703 071
Long-term Bank and private equity funding	709 199	256 998	386 764
Derivative financial liabilities	41 382	74 825	73 046
Participatory contribution for preference share investments	-	210 734	-
Deferred taxation	51 724	129 257	63 397
Provision for post-retirement medical aid	20 235	21 889	21 039
Deposits from Bank customers	241 166	269 271	234 276
Provisions	16 258	2 197	14 143
Total non-current liabilities	2 286 278	2 954 782	1 837 226
Trade and other payables	1 419 444	1 358 443	1 440 209
Current portion of long-term borrowings	148 441	200 577	103 901
Current portion of lease liabilities	193 705	340 252	264 792
Current portion of Bank and private equity funding	1 258 130	509 018	1 345 601
Current portion of deposits from Bank customers	11 179 079	9 466 432	9 199 405
Current portion of participatory contribution for preference share investments	-	1 330 526	-
Short-term borrowings and bank overdraft	1 129 260	1 214 223	1 352 764
Taxation payable	96 257	65 990	101 703
Total current liabilities	15 424 316	14 485 461	13 808 375
Non-current liabilities associated with non-current assets held for sale	36 546	-	-
Total equity and liabilities	25 336 001	26 370 617	23 604 610

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Operating profit / (loss)	74 737	(134 187)	(192 714)
Non-cash adjustments	422 674	645 401	1 100 144
Operating profit before working capital changes	497 411	511 214	907 430
Working capital changes	(161 095)	(3 772)	(36 371)
Cash generated from operations	336 316	507 442	871 059
Net interest paid	(91 614)	(143 736)	(223 348)
Net dividends (paid) / received	(15 265)	39 328	217 790
Taxation paid	(118 815)	(91 052)	(196 503)
	110 622	311 982	668 998
Other operating cash flows from Bank			
Net advances to customers and other short-term negotiable securities	91 546	(807 972)	(2 443 688)
Net cash flows from operating activities	202 168	(495 990)	(1 774 690)
Net movement in acquisition of property, terminals, machinery, vehicles and equipment acquired	(274 407)	(88 899)	(145 916)
Net movement on acquisition of investments	-	(36 991)	(47 030)
Net movement on disposal of investments	151 730	-	-
Net movement on disposal of non-current assets held for sale	44 034	-	-
Funds received from / (advanced to) joint ventures and associate companies	23 014	(62 988)	(83 129)
Net cash flows from investing activities	(55 629)	(188 878)	(276 075)
Acquisition of treasury shares	(4 113)	(18 557)	(45 442)
Acquisition of non-controlling interest	-	-	(74 161)
Net movement in long-term funding	145 692	(263 850)	(712 799)
Net cash flows from financing activities	141 579	(282 407)	(832 402)
Net increase / (decrease) in cash and cash equivalents	288 118	(967 275)	(2 883 167)
Cash and cash equivalents at the beginning of the period	943 955	3 758 759	3 758 759
Difference arising on translation	(5 007)	116 883	68 363
Cash and cash equivalents at the end of the period	1 227 066	2 908 367	943 955

* Restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Ordinary and preference share capital and share premium	3 953 695	3 973 018	3 950 427
Balance at the beginning of the period	3 950 427	3 982 066	3 982 066
Share options vested	7 381	9 509	13 803
Treasury shares acquired	(4 113)	(18 557)	(45 442)
Equity compensation reserve	42 986	50 836	47 857
Balance at beginning of the period	47 857	56 471	56 471
Share-based payments	2 510	3 874	5 189
Share options vested	(7 381)	(9 509)	(13 803)
Foreign currency translation reserve	1 527 073	2 236 977	1 598 738
Balance at the beginning of the period	1 598 738	1 455 229	1 455 229
Foreign currency translation realised	-	-	(7 804)
Foreign currency translation adjustments	(71 665)	781 748	151 313
Other non-distributable statutory reserves	(109 726)	(49 362)	(110 863)
Balance at the beginning of the period	(110 863)	(43 068)	(43 068)
Foreign currency translation adjustments	1 137	(6 294)	3 402
Net business combination acquisition	-	-	(71 197)
Accumulated profit	2 199 546	2 822 509	2 622 984
Balance at the beginning of the period	2 622 984	3 156 208	3 156 208
Other comprehensive income from financial instruments	608	1 271	4 407
Actuarial losses recognised	-	-	(25 896)
Loss for the period	(401 441)	(210 292)	(363 975)
Ordinary dividends paid	-	(96 516)	(96 516)
Preference dividends paid	(22 605)	(28 162)	(51 244)
Total interest of shareholders of the Company	7 613 574	9 033 978	8 109 143
Equity attributable to non-controlling interests of the Company	(24 713)	(103 604)	(150 134)
Balance at the beginning of the period	(150 134)	(71 653)	(71 653)
Foreign currency translation adjustments	(30)	7 714	4 502
Non-controlling interest acquired	-	-	(33 675)
Non-controlling interest disposed	128 636	-	-
Loss for the period	(412)	(38 459)	(47 108)
Ordinary dividends paid	(2 773)	(1 206)	(2 200)
Total equity attributable to all shareholders of the Company	7 588 861	8 930 374	7 959 009

* Restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

SEGMENTAL INFORMATION

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Revenue			
Port and Terminals	494 759	483 131	1 081 990
Logistics	1 639 528	1 498 224	3 232 044
Bank	223 069	214 178	378 236
Group	30 731	81 972	57 351
Total core businesses	2 388 087	2 277 505	4 749 621
Marine Fuels and Agricultural Logistics	5 839 114	6 318 258	11 504 669
Private equity and property	46 669	49 098	116 043
Total	8 273 870	8 644 861	16 370 333
Segmental adjustments**	(6 358 381)	(6 828 766)	(12 619 177)
	1 915 489	1 816 095	3 751 156
Trading profit (after expected credit loss)			
Port and Terminals	165 988	207 269	460 611
Logistics	379 743	428 572	906 723
Bank	68 549	59 712	38 376
Group	164 620	(109 261)	(50 010)
Total core businesses	778 900	586 292	1 355 700
Marine Fuels and Agricultural Logistics	3 310	70 569	103 725
Private equity and property	(271 883)	(181 929)	(489 361)
Total	510 327	474 932	970 064
Segmental adjustments**	(185 123)	(324 438)	(636 479)
	325 204	150 494	333 585
Operating profit / (loss) before interest and taxation			
Port and Terminals	110 183	144 081	335 467
Logistics	121 984	136 548	330 577
Bank	61 997	51 759	22 770
Group	150 885	(121 492)	(52 169)
Total core businesses	445 049	210 896	636 645
Marine Fuels and Agricultural Logistics	1 659	68 044	98 785
Private equity and property	(273 168)	(189 653)	(498 214)
Total	173 540	89 287	237 216
Segmental adjustments**	(98 803)	(223 474)	(429 930)
	74 737	(134 187)	(192 714)
Share of associate companies' profit / (loss) after taxation			
Port and Terminals	47 096	28 809	88 839
Logistics	320	(169)	303
Total core businesses	47 416	28 640	89 142
Segmental adjustments**	(39 744)	(23 779)	(68 703)
	7 672	4 861	20 439

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

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

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

SEGMENTAL INFORMATION (CONTINUED)

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Profit / (loss) attributable to ordinary shareholders			
Port and Terminals	111 999	96 674	226 084
Logistics	(223 081)	52 423	137 158
Bank	45 350	32 893	37 567
Group	129 348	(145 773)	(71 375)
Total core businesses	63 616	36 217	329 434
Marine Fuels and Agricultural Logistics	4 206	62 001	(69 516)
Private equity and property	(491 868)	(336 672)	(675 137)
	(424 046)	(238 454)	(415 219)

Geographical revenue

North America / Bermuda	28 439	16 731	34 100
South America	4 073	94 031	117 456
Middle East	1 994 958	2 151 007	3 910 600
United Kingdom / Europe / Isle of Man	132 916	300 172	410 906
Singapore / Asia / Far East / Australia	3 712 372	3 800 304	7 097 388
Rest of Africa	679 896	714 127	1 608 734
South Africa	1 721 216	1 568 489	3 191 149
	8 273 870	8 644 861	16 370 333

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

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

NOTES TO FINANCIAL STATEMENTS**1. FOREIGN CURRENCY DENOMINATED ITEMS**

for the six months ended 30 June 2021

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

Exchange rates (ZAR / US\$)

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 December 2020 R'000
Opening exchange rate	14.62	14.00	14.00
Closing exchange rate	14.29	17.33	14.62
Average exchange rate	14.68	16.71	16.56

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

2. REVENUE

for the six months ended 30 June 2021

Revenue category	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Bulk terminals	185 056	192 230	354 199
Container handling	678 809	642 511	1 385 972
Recognised at a point in time	472 763	413 089	885 962
Recognised over time	206 046	229 422	500 010
Logistics	432 909	418 612	844 746
Net interest income of Bank	107 148	56 598	91 941
Fee and non-interest income of Bank	115 921	157 580	286 861
Ships agency income	179 097	197 753	449 021
Other services	216 549	150 811	338 416
	1 915 489	1 816 095	3 751 156

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

3. PARTICIPATORY CONTRIBUTIONS FOR PREFERENCE SHARE INVESTMENTS

for the six months ended 30 June 2021

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 December 2020 R'000
Preference share assets	-	1 127 444	-
Participatory contributions	-	(1 541 260)	-

In the prior year, Grindrod Bank gave up the ability to appoint trustees in GIT and no longer has a residual interest in the trust. Further, an independent third party was appointed manager of the trust. Consequently, these actions resulted in a loss of control over GIT and the trust was no longer consolidated in terms of IFRS 10: Consolidated Annual Financial Statements, with effect from 1 September 2020.

4. FINANCIAL INSTRUMENTS DISCLOSURE

for the six months ended 30 June 2021

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

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

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

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

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



Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

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

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

30 June 2021						
R'000	Carrying value	Fair value instruments			Amortised cost	Other non-financial instruments
		Level 1	Level 2	Level 3		
Financial instruments						
Cash and cash equivalents	1 847 413	-	-	-	1 847 413	-
Other investments	1 737 161	287 935	68 768	1 057 040	323 418	-
Loans and advances	9 673 445	-	732 328	2 885 082	6 056 035	-
Trade and other receivables	1 364 491	-	-	-	1 237 743	126 748
Borrowings	(4 645 049)	-	-	-	(4 645 049)	-
Derivative financial liabilities	(41 382)	-	(41 382)	-	-	-
Trade and other payables	(1 419 444)	-	-	-	(1 171 581)	(247 863)
Deposits from Bank customers	(11 420 245)	-	-	-	(11 420 245)	-
Non-financial instruments						
Investment property	91 617	-	-	91 617	-	-
Total		287 935	759 714	4 033 739	(7 772 266)	(121 115)

30 June 2020*						
R'000	Carrying value	Fair value instruments			Amortised cost	Other non-financial instruments
		Level 1	Level 2	Level 3		
Financial instruments						
Cash and cash equivalents	3 810 020	-	-	-	3 810 020	-
Other investments	2 041 290	88 469	132 211	1 494 485	326 125	-
Preference shares linked to participatory contributions	1 127 444	-	-	-	1 127 444	-
Loans and advances	8 597 652	-	998 536	2 669 644	4 929 472	-
Trade and other receivables	1 358 154	-	-	-	1 167 006	191 148
Borrowings	(4 510 679)	-	-	-	(4 510 679)	-
Derivative financial liabilities	(74 825)	-	(74 825)	-	-	-
Trade and other payables	(1 358 443)	-	-	-	(1 055 818)	(302 625)
Participatory contributions	(1 541 260)	-	-	-	(1 541 260)	-
Deposits from Bank customers	(9 735 703)	-	-	-	(9 735 703)	-
Non-financial instruments						
Investment property	91 617	-	-	91 617	-	-
Total		88 469	1 055 922	4 255 746	(5 483 393)	(111 477)

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

31 December 2020						
Fair value instruments						
R'000	Carrying value	Level 1	Level 2	Level 3	Amortised cost	Other non-financial
Financial instruments						
Cash and cash equivalents	1 846 811	-	-	-	1 846 811	-
Other investments	1 989 910	96 187	68 768	1 504 997	319 958	-
Loans and advances	8 933 218	-	952 353	2 640 843	5 340 022	-
Trade and other receivables	1 273 663	-	-	-	1 152 076	121 587
Borrowings	(4 498 382)	-	-	-	(4 498 382)	-
Derivative financial liabilities	(73 046)	-	(73 046)	-	-	-
Trade and other payables	(1 440 209)	-	-	-	(1 207 738)	(232 471)
Deposits from Bank customers	(9 433 681)	-	-	-	(9 433 681)	-
Non-financial instruments						
Investment property	91 617	-	-	91 617	-	-
Total		96 187	948 075	4 237 457	(6 480 934)	(110 884)

Fair value losses recognised in the condensed consolidated statement of other comprehensive income for Level 3 financial instruments were R234.9 million (2020 H1: R57.1million).

Reconciliation of Level 3 fair value measurement of financial instruments

	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000*	Audited 31 December 2020 R'000
Opening balance	4 237 457	4 237 930	4 237 930
Transfers**	-	24 652	-
Purchases	224 293	78 206	293 117
Settlements	(193 092)	(27 895)	(155 701)
Total gains / (losses) recognised in:			
Condensed consolidated statement of other comprehensive income	(4 386)	1 271	32 14
Condensed consolidated income statement	(230 533)	(58 418)	(170 203)
Closing balance	4 033 739	4 255 746	4 237 457

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Refer to basis of preparation.

** In the prior period, the Group reassessed all its loans and advances considering acquisition of profit share components and the realisable value of the loan together with the recoverability of Grindrod's investment in the underlying entities. As a result, these loans were designated as fair value loans and reclassified from loans and advances to Level 3 fair valued loans.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

Valuation inputs and relationships to fair value

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

Nature of material investment	Fair value at 30 June 2021 R'000	Fair value at 31 December 2020 R'000	Valuation method	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value (000)
Medical	195 647	185 437	Discounted cash flow	Perpetuity growth rate	• 5.0% - 7.0%	Increase perpetuity growth rate to 7.0% and increase WACC to 13.1% would decrease FV to R186 063
				Discount rate	• 11.1% - 12.1%	Decrease perpetuity growth to 5.0% and decrease WACC to 11.1% would increase FV to R205 615
				EBTIDA Margin		Increase of 1% would increase FV to R231 638 Decrease of 1% would decrease FV to R159 656
Asset financing	330 571	283 136	Earnings multiple approach	PE multiple	• 9.9x – 11.9x	Increase PE multiple to 11.1x would increase FV to R360 862 Decrease PE multiple to 9.9x would decrease FV to R300 280
	-	82 882	Net asset value	Based on net asset value	• Net asset value	Based on net asset value
UK Real estate	303 113	507 057	Proposed transaction value of £17.4 million, which is payable in tranches.			
North Coast property loans	1 421 877	1 377 428	Underlying security valuation	Discount rate	Per valuation	Independent valuations range between R1.1 billion and R1.6 billion on the loans. This is based on the combined properties value of R2.5 billion.
				Growth rate		Increase of 10% R132.7 million Decrease of 10% (R132.7 million)
Loans and advances - Bank	1 463 205	1 263 415	Discounted cash flow	Credit spread range of 2.0% to 14.7%*		Increase of 100bps - R19 390 Decrease of 100bps - (R20 071)

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

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

Valuation process

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

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

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

5. DISPOSAL OF SUBSIDIARY

During the year, the Group disposed of its shareholding in:

Company acquired	Nature of business	Interest disposed	Date disposed	Disposal consideration
Innovative Strategic Investments 1 (Pty) Limited	Corporate branding and signage	49%	30 June 2021	-

Reason for disposal

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

The impact of the disposal on the results of the Group is:

Net assets disposed	Fair value at 30 June 2021 R'000
Property, terminals, machinery, vehicles and equipment	23 644
Inventory	15 708
Non-controlling interests	128 636
Cash and bank	2 288
Long-term debt	(16 821)
Current liabilities	(19 618)
Total	133 837
Loss on disposal	(133 837)
Cash disposed	(2 288)
Net cash outflow on disposal	(2 288)

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

6. RELATED PARTY TRANSACTIONS**for the six months ended 30 June 2021**

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

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

	Nature of relationship	Unaudited 30 June 2021 R'000	Unaudited 30 June 2020 R'000	Audited 31 December 2020 R'000
Goods and services sold to:				
Portus Indico	Joint venture	-	-	157 452
Terminal De Carvo da Matola Limitada	Joint venture	-	-	211 953
GPR Leasing Africa Limited	Joint venture	-	-	51 922
Rohlig Grindrod Proprietary Limited	Joint venture	15 308	7 848	43 357
Interest earned on loans to associates	Associates	53 274	74 370	126 806
Goods and services purchased from:				
Cockett Marine Oil Private Limited	Joint venture	45 091	53 402	101 773
Amounts due from related party:				
Maputo Intermodal Container Depot, S. A	Joint venture	61 518	82 218	67 618
Railco Africa Limited	Joint venture	121 908	-	118 685
RBT Grindrod Terminals Proprietary Limited	Joint venture	189 142	168 428	186 301
RBT Resources Proprietary Limited	Other related party	197 103	183 786	190 398
GPR Leasing Africa Limited	Joint venture	-	201 894	-
Loans to associates	Associates	1 307 945	1 860 872	1 601 639
Property-owning entities		836 744	503 804	822 044
Investment entities		-	491 471	319 992
Private equity portfolio		471 201	865 597	459 603
Directors (directly or indirectly)	Directors and key officers	1 981	4 509	1 760
Interests held by directors:				
	Equity investment in:	%held	%held	%held
D Polkinghorne	Indirect shareholding in various Grindrod entities	<2%	<2%	<2%
D Polkinghorne	Direct shareholding in SIRE (UK)	<2%	<2%	<2%
Various directors	Grindrod Limited ordinary and preference shares	0.25%	0.26%	0.21%

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

7. CONTINGENT LIABILITIES**for the six months ended 30 June 2021**

The Company guaranteed loans and facilities of subsidiaries and joint ventures amounting to R3 344.7 million (December 2020: R3 334.9 million) of which R1 559.2 million (December 2020: R2 011.9 million) had been utilised at period end.

Despite the conclusion of a leniency agreement in February 2020 with Brazilian authorities relating to an investigation by them into Cockett Group, the Cockett Group is still under investigation by other authorities into the matter. The leniency agreement is still subject to review by the Brazilian Federal General Controlling Office and it is not possible to estimate when this will happen, but no changes are expected. One investigation has been dormant for more than a year. External legal counsel has been engaged to assist the Cockett Group in responding to such investigations in an open and transparent way and is proactively co-operating with the authorities concerned. Due to the above-mentioned circumstances, any potential exposures (such as fines, penalties, or legal costs) are not possible to determine and estimate at this stage.

8. CAPITAL EXPENDITURE AND COMMITMENTS

Rmillion	Capital expenditure		Capital commitments		Split as follows	
	H1 2021	H2 2021	2022	2023	Approved not contracted	Approved and contracted
	307.6	177.5	25.1	0.3	93.5	109.4
Port and Terminals	155.6	4.9	-	0.2	5.1	-
Logistics	148.4	172.6	25.1	0.1	88.4	109.4
Bank	3.6	-	-	-	-	-
Split as follows:						
Subsidiaries	282.9	114.9	25.1	0.2	30.8	109.4
Joint ventures	24.7	62.6	-	0.1	62.7	-

Total capital expenditure was R307.6 million (2020 H1: R207.0 million), of which 71% (2020 H1: 58%) was expansionary and the balance maintenance or replacement capital expenditure.

9. CASH FLOW AND BORROWINGS

The financial position reflects net debt of R676.6 million (December 2020: R682.8 million). The Group generated operating profit before working capital cash flows of R497.4 million (December 2020: R907.4 million) during the period. Working capital contributed to a net outflow of R161.1 million (December 2020: R36.4 million).

10. STATEMENT OF FINANCIAL POSITION

With total assets of R25 336.0 million (December 2020: R23 604.6 million) and low gearing, the Group's financial position remains good. Book net asset value per share is 1 019 cents (December 2020: 1 075 cents).

Shareholders' equity decreased to R7 588.9 million (December 2020: R7 959.0 million) mainly because of losses incurred in the period. The decrease of R71.7 million in the foreign currency translation reserve was due to the

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

stronger Rand against the US dollar from R14.62 / US\$ in December 2020 to R14.29 / US\$ in June 2021. Ordinary shares remain unchanged at 698 031 586.

11. BASIS OF PREPARATION

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

Restatement

The financial results for the prior period were restated to reflect the Marine Fuels and Agricultural Logistics segment and Private Equity and Property segments as continuing operations.

Whilst the sale of the Agricultural investments was completed, the sale process with regards to the Marine Fuels investment was delayed and is no longer highly probable in the short term. In terms of the IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, this segment must therefore be reclassified as continuing operations and can no longer be reported as a discontinued operation.

In the prior period a single transaction to dispose of a significant part of the private equity and property portfolio and the loans to the KZN North Coast property companies had progressed to an advanced state and the Private Equity and Property segment was disclosed as a discontinued operation. Regrettably the transaction fell through during December 2020, consequently the segment must therefore be reclassified as continuing operations and can no longer be reported as a discontinued operation.

Whilst classified as non-current assets held-for-sale, the Marine Fuels business was carried at fair value and no profits / (losses) were reported in equity accounted earnings. The reclassification out of non-current assets held for sale results in these profit / (losses) being reported in equity accounted earnings and accordingly December 2019 and June 2020 was restated.

The impact of the above restatements and representations is as follows:

Continuing operations	Earnings R'000	Headline earnings R'000	EPS (cents)	HEPS (cents)
June 2020 results previously reported	36 217	23 362	5.3	3.4
Add: Marine Fuels and Agricultural Logistics and Private Equity and Property previously included in discontinued operations	(336 672)	(254 650)	(49.7)	(37.6)
Less: Marine Fuels change in measurement adjustment*	62 001	62 001	9.2	9.2
June 2020 restated results	(238 454)	(169 287)	(35.2)	(25.0)

* This relates the equity accounted earnings not previously recognised.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

The impact on the statement of comprehensive income for the period ended 30 June 2020

	Previously reported as at 30 June 2020 R'000	Restatement of Marine Fuels out of held-for sale into continued operations R'000	Restatement of Private Equity and Property out of held-for sale into continued operations R'000*	Restated balances at 30 June 2020 R'000
Revenue	1 766 997	-	49 098	1 816 095
Trading profit before expected credit loss and depreciation and amortisation	368 645	-	(181 929)	186 716
Expected credit loss	(36 222)	-	-	(36 222)
Depreciation and amortisation	(276 957)	-	(7 724)	(284 681)
Operating profit / (loss) (before interest and taxation)	55 466	-	(189 583)	(134 187)
Non-trading items	15 868	-	(82 022)	(66 154)
Interest received	82 725	-	(16 085)	66 640
Interest paid	(130 494)	-	(73 359)	(203 853)
Profit before share of joint venture and associate companies' profit	23 565	-	(361 119)	(337 554)
Share of joint venture companies' profit after taxation	88 958	62 001	-	150 959
Share of associate companies' profit after taxation	4 861	-	-	4 861
Profit before taxation	117 384	62 001	(361 119)	(181 734)
Taxation	(70 145)	-	3 128	(67 017)
Profit for the period from continuing operations	47 239	62 001	(357 991)	(248 751)
Loss from discontinued operations	(357 991)	-	357 991	-
Loss for the period	(310 752)	62 001	-	(248 751)
Attributable to:				
Owners of the parent	(272 293)	62 001	-	(210 292)
From continuing operations	46 713	62 001	(319 006)	(210 292)
From discontinued operations	(319 006)	-	319 006	-
Non-controlling interests	(38 459)	-	-	(38 459)
From continuing operations	526	-	(38 985)	(38 459)
From discontinued operations	(38 985)	-	38 985	-

* Discontinued operations previously reported adjusted for elimination between discontinued and continuing operations

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

The impact on the Statement of Financial Position as at 30 June 2020:

	Previously reported as at 30 June 2020 R'000	Restatement of Marine Fuels out of held-for sale into continued operations R'000	Restatement of Private Equity and Property out of held-for sale into continued operations R'000	Restated balances at 30 June 2020 R'000
Property, terminals, machinery, vehicles, equipment*	1 895 088	-	98 040	1 993 128
Right of use assets*	1 094 801	-	-	1 094 801
Goodwill and intangible assets	702 477	-	-	702 477
Investments in joint ventures	2 762 947	562 736	-	3 325 683
Investments in associates	118 315	-	-	118 315
Investment property*	-	-	91 617	91 617
Other investments*	566 926	-	1 474 364	2 041 290
Preference share investments by trusts	544 900	-	-	544 900
Deferred taxation	101 696	-	720	102 416
Loans and advances	4 173 844	-	-	4 173 844
Total non-current assets	11 960 994	562 736	1 664 741	14 188 471
Liquid assets and short-term negotiable securities	1 387 441	-	-	1 387 441
Current portion of loans and advances*	3 261 874	-	1 161 934	4 423 808
Current portion of preference share investments by trusts	582 544	-	-	582 544
Inventories*	88 557	-	24 094	112 651
Trade and other receivables*	1 335 010	-	23 144	1 358 154
Taxation*	60 654	-	-	60 654
Bank balances and cash	3 752 144	-	57 876	3 810 020
Total current assets	10 468 224	-	1 267 048	11 735 272
Non-current assets held for sale	4 108 455	(729 792)	(2 931 789)	446 874
Total assets	26 537 673	(167 056)	-	26 370 617
Share capital and premium*	3 973 018	-	-	3 973 018
Non-distributable reserves*	2 259 519	(21 068)	-	2 238 451
Accumulated profit*	2 968 497	(145 988)	-	2 822 509
Equity attributable to owners of the Company	9 201 034	(167 056)	-	9 033 978
Non-controlling interests	(103 604)	-	-	(103 604)
Total equity	9 097 430	(167 056)	-	8 930 374

* These balances were previously reported in aggregation but have been separately disclosed to align to the disclosure in the statement of financial position in the Group's annual financial statements.

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

	Previously reported as at 30 June 2020 R'000	Restatement of Marine Fuels out of held-for sale into continued operations R'000	Restatement of Private Equity and Property out of held-for sale into continued operations R'000	Restated balances at 30 June 2020 R'000
Long-term borrowings*	433 412	-	620 939	1 054 351
Lease liabilities*	888 524	-	46 736	935 260
Long-term Bank and private equity funding	256 998	-	-	256 998
Derivative financial liabilities*	74 825	-	-	74 825
Participatory contribution for preference share investments	210 734	-	-	210 734
Deferred taxation*	82 065	-	47 192	129 257
Provision for post-retirement medical aid*	21 889	-	-	21 889
Deposits from Bank customers	269 271	-	-	269 271
Provisions*	2 197	-	-	2 197
Total non-current liabilities	2 239 915	-	714 867	2 954 782
Trade and other payables	1 212 297	-	146 146	1 358 443
Current portion of long-term borrowings*	200 577	-	-	200 577
Current portion of lease liabilities*	340 252	-	-	340 252
Current portion of Bank and private equity funding	509 018	-	-	509 018
Current portion of deposits from Bank customers	9 466 432	-	-	9 466 432
Current portion of participatory contribution for preference share investments	1 330 526	-	-	1 330 526
Short-term borrowings and bank overdraft*	1 214 223	-	-	1 214 223
Taxation payable*	53 984	-	12 006	65 990
Total current liabilities	14 327 309	-	158 152	14 485 461
Non-current liabilities held for sale	873 019	-	(873 019)	-
Total equity and liabilities	26 537 673	(167 056)	-	26 370 617

* These balances were previously reported in aggregation but have been separately disclosed to align to the disclosure in the statement of financial position in the Group's annual financial statements.

These condensed consolidated interim financial statements have been prepared under the supervision of Fathima Ally, CA(SA) and were approved by the Board of directors on 26 August 2021, on the recommendation of the audit committee.

As disclosed in December 2020, segments have been restated resulting in the Marine Fuels and Agricultural Logistics and the Private Equity and Property segments being included as non-core. Consequently, June 2020 segments have been restated.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the unaudited condensed consolidation interim financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2020. Non-trading items are a non-IFRS measure and consist of items that

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

are usually capital in nature or not of an operational nature. In most cases non-trading items are those items excluded in accordance with the SAICA Circular 1/2019.

12. POST BALANCE SHEET EVENTS

There are no adjusting post-balance events to report.

During the month of July, KZN and Gauteng were impacted by the unrest for nearly a week. Fortunately, with the various precautionary measures implemented by Grindrod, there was no destruction to property. Although certain freight operations were suspended for a short while, all activity promptly resumed.

The unrest did negatively impact certain properties that act as security for loans provided by the Bank. However, given the adequate loan to value headroom and insurance cover relating to these loans, management has not identified the need for impairments.

PROSPECTS

The Group remains committed to the execution of the growth strategy, delivering solutions to its customers and creating a focused SME bank with an effective retail platform.

AG Waller
Chief Executive Officer
26 August 2021

MJ Hankinson
Chairman
26 August 2021

DECLARATION OF DIVIDEND

Ordinary dividend

Notice is hereby given that no interim dividend has been declared for the six months ended 30 June 2021 (2020 H1: nil cents). The Board will review this position at year end.

At the date of this announcement, there were 698 031 586 issued ordinary shares.

Preference dividend

Notice is hereby given that a gross interim dividend of 305.0 cents (2020 H1: 381.0 cents) per cumulative, non-redeemable, non-participating and non-convertible preference share has been declared out of income reserves for the six-month period ended 30 June 2021, payable to preference shareholders in accordance with the timetable below.

At the date of this announcement, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The interim net preference dividend is 244.0 cents per share for preference shareholders who are not exempt from dividends tax.

With respect to the preference dividend, in terms of the dividends tax effective since 22 February 2017, the following information is disclosed:

Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

The local dividends tax rate is 20% and Grindrod Limited's tax reference number is 9435/490/71/0.

Preference dividend timetable

Dividend declaration date	Friday, 27 August 2021
Last date to trade cum-dividend	Monday, 20 September 2021
Preference shares start trading ex-dividend	Tuesday, 21 September 2021
Record date	Thursday, 23 September 2021
Payment date	Monday, 27 September 2021

No dematerialisation or rematerialisation of preference shares will be allowed for the period Tuesday, 21 September 2021 to Thursday, 23 September 2021, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa.

By order of the Board

VB Commaile
Group company secretary
26 August 2021

CORPORATE INFORMATION**Directors**

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

* Non-executive.

Change in directorate and vote of thanks

There was no change to the directorate since the last reporting period

Registered office

Grindrod Mews
106 Margaret Mncadi Avenue, Durban, 4001
PO Box 1
Durban, 4000
South Africa

Transfer secretaries

JSE Investor Services Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2017



Grindrod Limited

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

PO Box 4844

Johannesburg, 2000

South Africa

P +27 11 713 0800, F +27 86 674 4381

info@jseinvestorservices.co.za

Auditors

Deloitte & Touche

Designated Audit Partner: Mark Holme CA(SA) RA

Sponsor

Nedbank Corporate and Investment Banking,

A division of Nedbank Limited

135 Rivonia Road

Sandton, 2196

PO Box 1144, Johannesburg, 2000

P +27 11 295 8525

doristh@nedbank.co.za

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

Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106

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

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