

GRINDROD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1966/009846/06)
Share code: GND and GNDP
ISIN: ZAE000072328 and ZAE000071106
("Grindrod" or the "Company")

UPDATED PRO FORMA FINANCIAL EFFECTS - SPECIFIC REPURCHASE OF 64 MILLION GRINDROD SHARES AND ACQUISITION OF 1.6 MILLION GRINDROD SHIPPING SHARES

1. Background

Grindrod shareholders are referred to the SENS announcement dated 21 July 2020 ("**Terms Announcement**") and the circular dated 7 August 2020 ("**Distribution Date**"), regarding the specific repurchase by Grindrod of 64 million Grindrod ordinary shares and the acquisition of 1.6 million ordinary shares in Grindrod Shipping Holdings Limited from Newshelf 1279 (RF) Proprietary Limited ("**Transaction**"), which document incorporates a notice of general meeting of Grindrod shareholders to be held on Monday, 7 September 2020 ("**Circular**").

Full copies of the Terms Announcement and the Circular, can be obtained from the Company's website as follows:

Terms Announcement: www.grindrod.co.za/Pages/Investor-Relations

Circular: <http://www.grindrod.co.za/Pages/Securities-Exchange-Newsfeed>

In compliance with paragraph 8.25(a) of the JSE Listings Requirements ("**Listings Requirements**"), the *pro forma* financial effects of the Transaction ("**Pro Forma Effects**") contained in the Circular were based on the most recent completed financial period, being the published audited financial results of Grindrod and its subsidiaries ("**Group**" or "**Grindrod Group**") in respect of the 12 month period ended 31 December 2019 ("**Year-End Figures**").

According to paragraph 11.56 (b) and (c) of the Listings Requirements, the JSE Limited ("**JSE**") must be advised immediately and a supplementary circular published if, at any time after a circular has been published and before the relevant shareholders meeting, the applicant becomes aware that a significant new matter has arisen, the inclusion of information on which the new matter would have been required to be disclosed in the original circular had such information been known at that time, and in the context of the publication of the *pro forma* financial effects, "significant" means a change of 10% or more from the original *pro forma* financial effects included in the circular.

On 27 August 2020, the Grindrod Group published its unaudited and unreviewed financial results in respect of the six-month period ended 30 June 2020 ("**Interim Figures**"). If the Interim Figures had been published before the Distribution Date, the *Pro Forma* Effects contained in the Circular would have been based on the Interim Figures. Furthermore, due to a difference of more than 10% when comparing the *Pro Forma* Effects based on the Year-End Figures versus the Interim Figures, it is necessary for the Company to publish updated *Pro Forma* Effects ("**Updated Pro Forma Effects**"). Shareholders are advised that the JSE has agreed to allow the Company to publish the Updated *Pro Forma* Effects on SENS, the details of which are contained in paragraph 2 below.

2. Updated *Pro Forma* Effects of the Transaction

The Updated *Pro Forma* Effects below should be read in conjunction the Circular which contains, *inter alia*, the background to, and terms of the Transaction, and the *pro forma* financial effects of the Transaction.

Grindrod shareholders should specifically refer to paragraphs 1 to 4, paragraph 9 and Annexure 2 of the Circular in this regard.

The Updated *Pro Forma* Effects below are provided for illustrative purposes only and, because of their nature, may not fairly present the financial position or results of operations or cash flows of the Group. The Updated *Pro Forma* Effects have been prepared to illustrate the impact of the Transaction on the Interim Figures, based on the assumption that the Transaction took place on 1 January 2020 for purposes of the *pro forma* consolidated statement of comprehensive income and on 30 June 2020 for purposes of the *pro forma* consolidated statement of financial position.

The Updated *Pro Forma* Effects have been prepared using the accounting policies of the Grindrod Group, which comply with IFRS and are consistent with those applied in Grindrod's consolidated annual financial statements for the year ended 31 December 2019.

The Updated *Pro Forma* Effects are the responsibility of the board of directors of Grindrod. The Company's external auditors, Deloitte & Touche ("**Deloitte**"), have issued an unmodified reporting accountant's report on the Updated *Pro Forma* Effects dated 28 August 2020 ("**Reporting Accountant's Report**"). In preparing the Reporting Accountant's Report, Deloitte conducted its engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature.

A copy of the Reporting Accountant's Report can be obtained from the Company's website (<http://grindrod.com/Pages/InvestorPresentations>) and is available for inspection at the Company's registered office (2nd Floor, Grindrod Mews, 106 Margaret Mncadi Avenue, Durban) or at the sponsor's registered office (135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, 2196, Johannesburg) between 09:00 and 17:00 or from the company secretary by emailing Vicky.Commaille@grindrod.com or from the sponsor, by emailing sanyab@nedbank.co.za from today, 31 August 2020 to Monday, 7 September 2020, both days inclusive.

	Before the Transaction	After the Transaction	% Change⁴
Total number of Grindrod Shares in issue	762 553 314	698 553 314	(8.39)
Number of treasury shares held ²	85 409 973	21 409 973	(74.93)
Held by BEE SPV	64 000 000	-	(100.00)
Held by Grindrod subsidiaries and share scheme	21 409 973	21 409 973	-
Number of Grindrod Shares in issue net of Grindrod Shares held by Subsidiaries	677 143 341	677 143 341	-
Weighted average number of Grindrod Shares in issue	677 532 522	677 532 522	-
Diluted weighted average number of Grindrod Shares in issue	677 532 522	677 532 522	-
Basic earnings/ (loss) per Grindrod Share (cents) ³ :			
From continuing operations	5.3	4.5	(15.09) ⁴
From discontinued operations	(49.7)	(49.7)	-
Diluted earnings/ (loss) per Grindrod Share (cents) ³ :			
From continuing operations	5.3	4.5	(15.09) ⁴
From discontinued operations	(49.7)	(49.7)	-
Headline earnings/ (loss) per Grindrod Share (cents) ³ :			
From continuing operations	3.4	2.6	(23.52) ⁴
From discontinued operations	(37.6)	(37.6)	-

Diluted headline earnings/ (loss) per Grindrod Share (cents) ³ :			
From continuing operations	3.4	2.6	(23.52) ⁴
From discontinued operations	(37.6)	(37.6)	-
Net asset value per Grindrod Share (cents) ⁵	1 234	1 233	(0.08)
Net tangible asset value per Grindrod Share (cents) ⁵	1 225	1 224	(0.08)

Notes:

1. The definitions and interpretations contained in the Circular apply, *mutatis mutandis*, to these notes.
2. The BEE Placement Shares are treated as treasury shares due to the consolidation of BEE SPV into Grindrod's financial results from the year ended December 2018.
3. The adjustments to the *pro forma* consolidated statement of comprehensive income in the Circular are reconciled to the Updated *Pro Forma* Effects disclosed above as follows:
 - i. The financial effects of the adjustments in columns 2, 3, 4 and 5 of Annexure 2 to the Circular, which amounted to a net after tax profit of R6.7 million, are no longer applicable on the assumption that the Transaction took place on 1 January 2020.
 - ii. The financial effects of the adjustment in column 6 of Annexure 2 to the Circular of R3.4 million remains unchanged.
 - iii. A tax expense of R2.1 million was triggered for the Group on 1 January 2020 due to the early redemption of the Class C Preference shares, as explained in note 5 to the *pro forma* consolidated statement of financial position in Annexure 2 to the Circular.
 - iv. The adjustments detailed above in 3 (i), (ii) and (iii) are not continuing in nature.
4. The relatively large percentage change figures compared to the percentage change figures in paragraph 9.5 of the Circular is primarily due to the fact that the denominator relates to a six month period whereas the Year-End Figures relate to a 12 month period.
5. The adjustments used in the *pro forma* consolidated statement of financial position as at 30 June 2020 are similar to the adjustments detailed in the Circular, but updated for the latest Interim Figures.

3. Responsibility statement

The Board accepts responsibility for the information contained in this announcement insofar as it relates to Grindrod. To the best of its knowledge and belief, the information contained in this announcement is true and the announcement does not omit anything likely to affect the importance of the information.

Durban
31 August 2020

Investment Bank, Corporate Advisor and Sponsor
Nedbank Corporate and Investment Banking