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

PRE-CLOSE STATEMENT AND UPDATE ON PERFORMANCE

Executive summary

Grindrod delivered a resilient first-half performance, underpinned by meaningful volume growth at the Port of Maputo and key South African terminals. The signature of the rail access agreement, which reinforces rail as a key enabler of Grindrod's integrated strategy, was a significant step toward long-term sustainable logistics solutions. The Port of Maputo and the Maydon Wharf multi-purpose terminal reported considerable volume increases for the five months ended 31 May 2026 ("period").

The business remains operationally strong, underpinned by solid fundamentals and long-term sustainability, notwithstanding softer Matola terminal volumes due to the adverse weather experienced in the Palabora region and higher freight costs arising from geopolitical tensions.

Market performance review

Global commodity markets remained firm during the period, with thermal coal and chrome ore prices strengthening and iron ore broadly resilient despite volatility. Thermal coal prices rose sharply from January 2026 to May 2026, driven by rising crude oil and natural gas prices, while chrome ore was underpinned by strong Chinese ferrochrome smelter demand. Iron ore prices remained balanced, supported by supply disruptions but constrained by weaker Chinese macroeconomic conditions.

Operational performance review

Despite ongoing safety initiatives which saw a significantly improved LTIFR of 0.12 (target: 0.4), Grindrod regrettably recorded a fatality during June 2026. This reinforces the critical importance of the Group's continued focus on safety and its unwavering commitment to a fatality-free workplace.

The Port of Maputo's dry-bulk terminal exported 6.8 million tonnes ("mt") during the period, up from 5.2 mt in 2025. The Matola terminal's dry-bulk export volumes declined 8% to 3.5 mt (2025: 3.8 mt) owing to adverse weather and increased freight costs, however, overall Terminals dry-bulk volumes only declined 3% to 6.5 mt (2025: 6.7 mt) reflecting a resilient performance.

In South Africa, the Navitrade facility in Richards Bay and Grindrod's Maydon Wharf multi-purpose terminal reported substantial growth, with increases of 46% and 42% in volumes handled respectively. The remaining back of port facilities in Richards Bay reported lower volumes than in the previous period.

The Matola project, which relates to the expansion of the magnetite and coal terminal to achieve 12 mt per annum, is proceeding as scheduled, with completion anticipated in early 2027.

Additionally, Grindrod's Maputo Car Terminal benefitted from increased transshipment volumes which saw it handling record units during the period, 23% higher than those handled for the full twelve months in 2025.

For the Logistics segment, performance has been negatively impacted. The container throughput remained subdued whilst ships agency and clearing and forwarding performance was flat. Graphite shipments in Northern Mozambique saw a temporary uptick however the Eswatini sidings operations was closed due to coal cargo from Belfast no longer transiting to Maputo via Eswatini. Rail performance was down due to lower locomotive deployment, however improved deployment is expected in the second half.

The Group has executed the rail access agreement and continues to finalise the outstanding operational and contractual conditions precedent. Operations are expected to begin in the first quarter of 2027.

Financial performance review

In FY2026, Grindrod will simplify its segmental reporting, with restated comparatives, to report only Port and Terminals, Logistics and Group performance i.e. the previously reported non-core segments will be absorbed into Group. Additionally, the simplification will involve removing the proportionate consolidation of joint ventures i.e. joint venture performance will reflect in one line being “Share of joint venture companies’ profit after taxation”. This treatment aligns with the manner in which joint venture performance is reported on, on the face of the Income Statement.

Grindrod’s earnings from the Port of Maputo was R204.5 million (2025: R165.9 million). The earnings before interest, tax, depreciation and amortisation (“EBITDA”) margin in the Port and Terminals segment was 38% (2025): 15% restated). The Logistics EBITDA margin, excluding transport brokering, slowed to 15% (2025: 20% restated).

During the current period the Marine Fuels business reached settlement with insurers on the fidelity guarantee insurance claim lodged in 2019 and proceeds were utilised to settle previously impaired shareholder loans. Grindrod’s 50% share is R90.0 million, resulting in a reversal of credit losses being recorded in the Group segment.

The Group reported net debt of R38 million as at 31 May 2026 (31 December 2025: net cash of R0.7 billion). The balance sheet remains robust and well positioned to fund the Group’s capital allocation priorities and growth pipeline.

Strategy Update

Grindrod remains focused on building a differentiated, integrated logistics platform that delivers cost-effective and efficient customer solutions. Strategic momentum continues on key growth initiatives such as the South African rail open access initiative, the Matola back-of-port capital investment, the Maputo dredging project and the Richards Bay container facility investment. The Group is committed to its strategy to drive operational excellence, execute disciplined growth projects and maintain balanced capital allocation that supports sustainable dividends, growth and balance sheet flexibility.

Investor call

Grindrod will host a pre-close investor call based on this release at 09:00 (SA-time) on Wednesday, 24 June 2026. Please contact investor relations, Reshmee Soni at investorrelations@grindrod.com for the details of this meeting.

Post the call, a recording of the call will be available at: *https://www.grindrod.com/investor-proposition/shareholder-documents#presentations*.

Grindrod will release its results for the six months ended 30 June 2026 on the JSE's Stock Exchange News Service on Tuesday, 25 August 2026.

23 June 2026

Durban

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited