



INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

PRELIMINARY AUDITED RESULTS

FOR THE YEAR ENDED 28 FEBRUARY 2023



SANTOVA PRELIMINARY AUDITED RESULTS

2023 GROUP HIGHLIGHTS

KEY HIGHLIGHTS

NET PROFIT INCREASED
23,8%
 TO R210,7 MILLION

HEPS INCREASED
22,1%
 TO 154,83 CPS

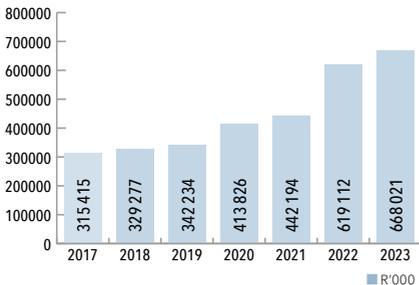
NAV INCREASED
34,4%
 TO R7,51 PER SHARE

NET CASH FROM OPERATING
 ACTIVITIES INCREASED
140,0%
 TO R275,1 MILLION

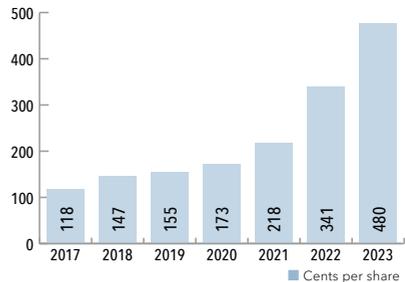
CAPITAL AND RESERVES INCREASED
30,9%
 TO R1,0 BILLION

OPERATING MARGIN
 IMPROVED BY 6,0% TO
43,0%

REVENUE AND NET INTEREST INCOME



TANGIBLE NAV PER SHARE



SANTOVA LIMITED 2023

PRELIMINARY RESULTS COMMENTARY

The financial year ending February 2023 marked a unique period for the Santova Group, both challenging and exciting.

Challenging because, having finally emerged from Covid, we did not enjoy a turnaround in South Africa's ("SA") economic prospects nor an improvement in SA's risk rating. Rather, we have had to learn to accept that economic recovery, changes in the management of state-owned enterprises and the structural reforms that are conducive to an increase in corporate capital expenditure and investment, will take time before progressive economic turnaround and growth can be expected.

Despite this challenging environment, the Group progressed, developed and innovated to harness the opportunities that a 'post-Covid' market has presented. From rolling out more robust new business development initiatives and talent management programmes, to optimising our global network, operationalising our 4PL strategy and implementing significant technological advancements, the Group has shown that it can and will evolve as new global dynamics arise.

Yet whilst the performance of the Group was ultimately impressive, it does not reflect the realities of the trading environment. Global container demand and freight rates experienced a soft landing in the first quarter of 2022 and have steadily continued this trend into 2023. This has been accompanied by changing geopolitical conditions, rising inflation and a slowdown in economic activity, all of which have resulted in a loss of momentum in many markets and have impacted adversely on global economies and the logistics industry.

Notwithstanding these obstacles, the solid foundation, geographically diversified revenue streams, and tech-savvy characteristics of the business enabled Santova to differentiate itself from its competitors yet again through year-on-year ("YOY") earnings growth. Whilst profit after tax of R210,7 million was 23,8% up on the previous year's figure of R170,1 million, net cash from operating activities increased disproportionately by 140,0%, from R114,6 million to R275,1 million primarily as a result of the decline in freight rates returning a significant amount of working capital.

Most importantly, operating margin is now at 43,0%, which is well above the industry norm, supporting the Group's strategy of limiting fixed costs, embracing new technologies, and securing financial efficiency and stability. This has strategic relevance as it offers the Group flexibility and agility insofar as the adjustment in pricing to clients is concerned.

Regarding the regional contributions, it is pleasing to witness Africa ("AF") delivering 77,4% growth in net profit after tax ("NPAT"), despite extremely suppressed trading conditions. This was closely followed by Asia Pacific ("AP") and the United Kingdom ("UK"), who delivered 46,4% and 53,3% YOY growth in NPAT, respectively.

What is most gratifying to report is that, once again, these results were achieved in the face of falling shipping rates globally. Furthermore, the performance of the Group during the current year has been organic.

GROUP PROFITABILITY

Key financial highlights for the 2023 financial year include:

- Consolidated NPAT for the year increased 23,8% to R210,7 million (2022: R170,1 million); and
- Headline earnings per share ("HEPS") increased 22,1% to 154,83 cents per share ("CPS") (2022: 126,81 CPS).

Other notable movements during the reporting period include:

- The operating environment continued to benefit from the implementation of innovative technology with operating margin improving to 43,0% (2022: 37,0%);
- The Group continued to buy back its own shares, having purchased 6,1 million shares on the open market at an average price of 773 CPS. The ongoing share buy-backs contributed to the reduction of the Weighted Average Number of Ordinary Shares ("WANOS") in issue to 136,1 million (2022: 138,7 million), however, with the majority of the buy-backs concentrated in the second half of the year, the full impact on HEPS will only be reflected in the next financial period;
- The Rand ("ZAR") continued to experience volatility against all foreign currencies in those regions in which the Group operates, with the average rate weakening against the Australian Dollar ("AUD") by 4,6%, the Hong Kong Dollar ("HKD") by 11,7% and the Singapore Dollar ("SGD") by 10,2%, while the Great British Pound ("GBP") and Euro ("EUR") remained relatively flat YOY, providing minimal uplift to earnings; and
- Offshore earnings reduced to 72,7% (2022: 82,6%) largely due to the earnings growth of the South African ("SA") operations being proportionately higher than the growth in the offshore regions.

REGIONAL PERFORMANCE

AFRICA (AF)

Africa's NPAT, represented predominantly by SA, increased by 77,4% to R63,1 million (2022: R35,6 million), due to the following primary reasons:

- SA continued to cement itself as provider of choice, with clients seeking more sophisticated solutions to deal with global disruptions. The region has persisted in the addition of new, quality clients, resulting in revenue increasing by 25,9% to R191,2 million (2022: R151,9 million). The SA performance is commendable considering the devastating impact of the April 2022 floods on logistics infrastructure in Durban and further disruptions experienced with Transnet port and rail operations during the period under review; and
- Mauritius ("MU"), which remains a small component of the Africa segment, continued its post-COVID recovery, with NPAT increasing by 150,1% to R608,9 thousand (2022: R243,5 thousand).

EUROPE (EU)

The EU region, comprising the Netherlands (“NL”) and Germany (“DE”), experienced a decrease in NPAT by 23,4% to R56,0 million (2022: R73,1 million) amidst the context outlined below:

- After strongly capitalising on the surge in trade volumes flowing through the region in the prior year, the NL saw revenue decline by 17,0% to R125,2 million (2022: R150,8 million) due to a general drop-off in demand linked to inflationary pressures and recessionary indicators, as well as declining shipping rates as carriers moved away from a spot rate driven market to more competitive contract rates. However, revenue still remains well above pre-pandemic levels; and
- DE revenue fell by 30,9% returning to pre-pandemic levels, primarily due to the conclusion of a fixed contract to facilitate the importation of COVID-19 related supplies in the prior period.

UNITED KINGDOM (UK)

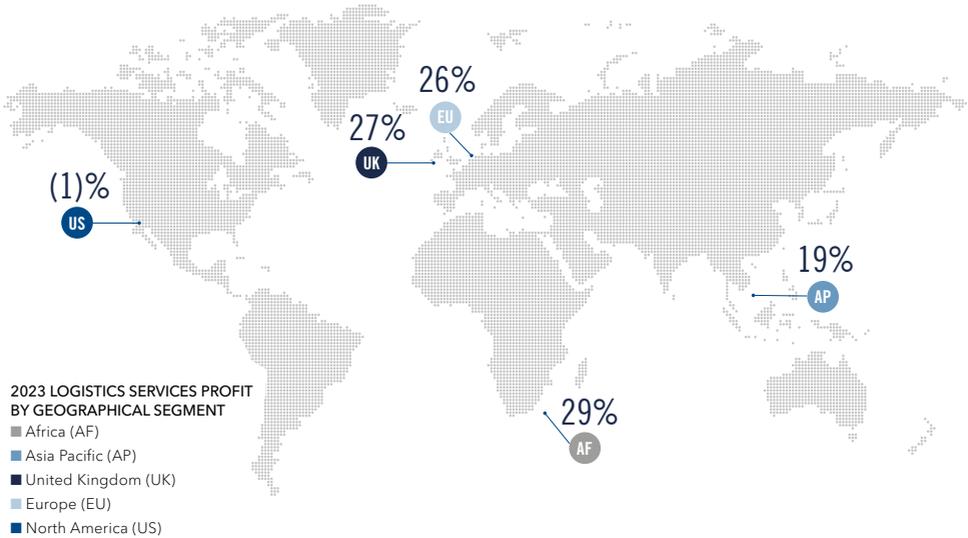
The UK continued to benefit from its diversified service offerings, increasing NPAT by 53,3% to R58,6 million (2022: R38,2 million) due to various factors, three of which are noted below:

- Tradeway (Shipping) (“Tradeway”), which specialises in the export of scrap products and second-hand garments to the Middle East and Africa, delivered a record year as it expanded export volumes and extended its service offering to include imports;
- SAI Logistics maintained its steady performance - benefitting from its strategic geographical positioning to accommodate e-commerce and other import businesses through its facility in Milton Keynes; and
- Santova Logistics (previously W.M Shipping), had a relatively subdued year with some major clients trading down, specifically in household and consumer products, who focused on reducing inventory levels after experiencing record trade during the pandemic, which has since slowed due to inflationary pressure on the end-consumer’s disposable income.

ASIA PACIFIC (AP)

The AP region, comprising Singapore (“SG”), Australia (“AU”), Hong Kong (“HK”), and Thailand (“TH”), boosted NPAT by 46,4% to R42,4 million (2022: R29,0 million), noting the following points below:

- SG, which experienced difficult trading conditions in the prior year, produced a meaningful recovery through a focus on new clients, better buy-rates and an increase in project work, resulting in an increase in revenue of 40,8% to R32,8 million (R23,3 million);
- AU grew revenue by 76,6%, primarily due to increased trade emanating from the region’s existing client base, while NPAT increased by 145,2%, predominantly as a result of its lean operational structure; and
- HK, which acts as a strategic hub for the Group, has been instrumental in the Group’s ability to negotiate rates and secure capacity for Global clients importing from China (“CN”). The region produced YOY growth in revenue of 1,6% off record growth in the prior year.



FINANCIAL POSITION

The Group’s statement of financial position remains solid as a result of sustained focus on capital preservation, credit risk management and responsible earnings growth in the current financial year.

Specific movements in balances and financial ratios include the following:

- Intangible assets increased by R63,7 million to R361,8 million (2022: R298,1 million) primarily due to the recognition of goodwill arising on the business combination with A-Link (R38,3 million) (refer to “Acquisitions” on page 6 below) and the weakening of the ZAR, which resulted in the revaluation and increase of foreign subsidiary goodwill balances (R23,7 million);
- Trade receivables decreased by R56,7 million or 7,7% to R676,5 million, driven primarily by the decline in shipping rates in the second half of the year;
- Trade payables decreased by R116,9 million or 35,4% as working capital requirements eased with the decline in shipping rates. The market has also seen significant pressure to reduce credit terms and while suppliers have been actively managed, creditor days reduced from 27,7 days in 2022, to 21,6 days in 2023;
- Financial liabilities increased by R27,2 million to R29,3 million resulting primarily from the recognition of deferred (R12,9 million) and contingent consideration (R16,1 million) relating to the A-Link acquisition; and
- Interest-bearing borrowings decreased by 53,8% to R25,0 million (2022: R54,2 million) due to the full settlement of the loan from F. Heuer as well as the servicing of the Group’s medium-term loans.

CASH ON HAND AND CASH FLOWS

Cash flows remained robust with cash and cash equivalents increasing by R221,2 million to R492,0 million (2022: R270,8 million). Cash generated from operations increased by 115,4% to R352,7 million (2022: R163,7 million) as working capital was returned as a result of the decline in shipping rates in the current year.

Notable cash related items include:

- Interest-bearing borrowings of R30,6 million were repaid in the current year;
- R47,2 million in cash was utilised to repurchase 6,1 million of the Group's own shares from the open market. No dividend was declared in the current year as the Group continued to focus on its value-per-share strategy by seeking acquisitions and reinvesting surplus cash in buying back its own shares;
- Taxation paid increased 60,4% to R71,9 million (2022: R44,8 million), which is consistent with the Group's increase in profitability; and
- Foreign currencies accounted for 93,8% (2022: 95,1%) of total cash and cash equivalents with offshore funds being preserved in their source currency given the weakness of the ZAR, which resulted in a R47,1 million upward revaluation of foreign denominated currencies at year-end.

ACQUISITIONS

The Group has been pursuing an acquisition in the United States ("US"), namely A-Link Freight Inc. ("A-Link"), which was successfully concluded in September 2022. The US has been a focus area for Santova for several years, with a number of existing clients importing from and exporting to the region. Due to the premium the market attributes to logistics businesses in the US, Santova has been both patient and cautious in its strategic entry into the region.

A purchase and sale agreement was concluded to acquire 100% of the share capital or assets of A-Link for USD2,35 million, effective 21 September 2022. The purchase price was underwritten by warranted earnings before interest, taxes, depreciation and amortisation ("EBITDA") of USD1,2 million for the two years after the effective date. The total purchase price was funded in cash from existing resources. While the acquisition's impact on Group profitability was negligible for the reporting period, the Group is optimistic about the potential of A-Link and the broader opportunities for the Group in the region.



SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2023

	Notes	Audited 2023 R'000	Audited 2022 R'000
ASSETS			
Non-current assets		439 366	383 466
Property, plant and equipment		18 014	25 766
Right-of-use ("ROU") assets		28 337	36 330
Intangible assets	5	361 841	298 052
Investment in associate		1 947	1 592
Financial assets at fair value through profit or loss	6	7 657	6 571
Deferred tax assets		21 570	15 155
Current assets		1 360 603	1 255 298
Trade and other receivables		856 152	981 988
Current tax assets		1 107	724
Non-current asset held for sale	7	9 130	-
Loans receivable		2 175	-
Amount owing by related party		71	-
Financial assets at fair value through profit or loss	6	-	1 781
Cash and cash equivalents		491 968	270 805
Total assets		1 799 969	1 638 764
EQUITY AND LIABILITIES			
Capital and reserves		1 002 876	765 847
Stated capital	8	116 866	163 998
Treasury shares		-	(5 699)
Equity-settled share-based payment reserve		6 069	8 764
Revaluation reserve		36	36
Foreign currency translation reserve		112 484	43 804
Retained earnings		767 229	554 804
Attributable to owners of the Company		1 002 684	765 707
Non-controlling interests		192	140
Non-current liabilities		45 258	47 636
Interest-bearing borrowings	9	8 734	22 380
Employee benefit obligations		666	758
Financial liabilities at fair value through profit or loss	6	16 088	-
Lease liabilities		14 922	24 487
Deferred tax liabilities		4 848	11
Current liabilities		751 835	825 281
Trade and other payables		440 437	518 492
Current tax liabilities		21 012	21 171
Interest-bearing borrowings	9	16 287	31 811
Amounts owing to related parties		-	288
Financial liabilities	6	13 189	2 078
Lease liabilities		15 850	14 204
Provisions	10	12 207	11 334
Overdrafts and bank facilities		232 853	225 903
Total equity and liabilities		1 799 969	1 638 764

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2023

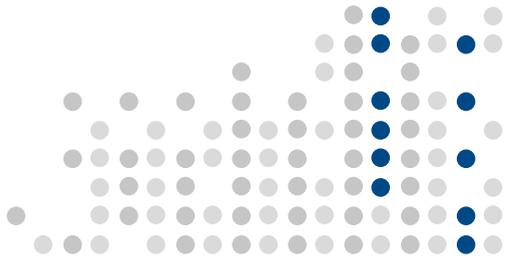
	Notes	Audited 2023 R'000	Audited 2022* R'000
GROSS BILLINGS		6 424 353	6 418 867
Revenue		654 379	611 022
Net interest income		13 642	8 090
Interest and financing fee income		35 461	21 987
Interest and financing fee expense		(21 819)	(13 897)
Revenue and net interest income	3	668 021	619 112
Other income		26 429	26 158
Depreciation, amortisation and impairment loss on non-financial assets		(21 700)	(29 181)
Administrative expenses		(382 261)	(380 984)
Impairment loss on trade receivables		(3 817)	(6 216)
Share of profit of associate, net of tax		355	250
Operating profit		287 027	229 139
Finance income		370	28
Finance costs		(6 755)	(4 711)
Profit before tax		280 642	224 456
Income tax expense		(69 980)	(54 326)
Profit for the year		210 662	170 130
Other comprehensive income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences arising from translation of foreign operations		68 708	(8 877)
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of post-retirement medical aid benefit liability		-	99
Other comprehensive income/(loss) for the year		68 708	(8 778)
Total comprehensive income for the year		279 370	161 352
<i>Profit for the year attributable to:</i>			
Owners of the Company		210 647	170 092
Non-controlling interests		15	38
		210 662	170 130
<i>Total comprehensive income for the year attributable to:</i>			
Owners of the Company		279 327	161 311
Non-controlling interests		43	41
		279 370	161 352
Basic earnings per share (cents)	4	154,74	122,60
Diluted earnings per share (cents)	4	151,00	119,56

* Re-presented to include share of profit of associate, net of tax in operating profit and fair value loss on contingent consideration in finance costs.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2023

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the company R'000	Non- controlling interests R'000	Total equity R'000
Balance at 28 Feb 2021	221 096	(48 095)	8 607	36	52 684	384 613	618 941	99	619 040
Total comprehensive income for the year	-	-	-	-	(8 880)	170 191	161 311	41	161 352
Profit for the year	-	-	-	-	-	170 092	170 092	38	170 130
Other comprehensive income	-	-	-	-	(8 880)	99	(8 781)	3	(8 778)
Treasury shares acquired	-	(15 194)	-	-	-	-	(15 194)	-	(15 194)
Treasury shares cancelled	(57 590)	57 590	-	-	-	-	-	-	-
Equity-settled share-based payment expense	-	-	324	-	-	-	324	-	324
Shares issued under share option scheme	494	-	(167)	-	-	-	327	-	327
Share issue costs	(2)	-	-	-	-	-	(2)	-	(2)
Balance at 28 Feb 2022	163 998	(5 699)	8 764	36	43 804	554 804	765 707	140	765 847



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

for the year ended 28 February 2023

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the company R'000	Non-controlling interests R'000	Total equity R'000
Total comprehensive income for the year	-	-	-	-	68 680	210 647	279 327	43	279 370
Profit for the year	-	-	-	-	-	210 647	210 647	15	210 662
Other comprehensive income for the year	-	-	-	-	68 680	-	68 680	28	68 708
Shares bought back and cancelled	(47 170)	-	-	-	-	-	(47 170)	-	(47 170)
Treasury shares cancelled	(5 699)	5 699	-	-	-	-	-	-	-
Equity-settled share-based payment expense	-	-	326	-	-	-	326	-	326
Shares issued under share option scheme	5 779	-	(1 243)	-	-	-	4 536	-	4 536
Share issue costs	(42)	-	-	-	-	-	(42)	-	(42)
Transfer of equity-settled share-based payment reserve	-	-	(1 778)	-	-	1 778	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	-	9	9
Balance at 28 Feb 2023	116 866	-	6 069	36	112 484	767 229	1 002 684	192	1 002 876

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2023

	Notes	Audited 2023 R'000	Audited 2022* R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11.1	352 671	163 693
Finance income		370	28
Finance costs		(6 023)	(4 257)
Tax paid	11.2	(71 889)	(44 827)
Net cash from operating activities		275 129	114 637
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(3 958)	(2 508)
Acquisition and development of intangible assets		(3 242)	(3 641)
Proceeds on disposals of plant and equipment		153	350
Advances to related parties		(71)	-
Advances of loans receivable		(2 175)	-
Acquisition of a business	11.3	(1 927)	-
Net cash used in investing activities		(11 220)	(5 799)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings		-	30 000
Repayment of interest-bearing borrowings		(30 587)	(7 662)
Payment of lease liabilities		(16 096)	(14 431)
Proceeds from issue of share capital		4 494	325
Treasury shares acquired		(47 170)	(15 194)
Proceeds from related party loans		-	3
Repayment of related party loans		(288)	-
Settlement of contingent consideration		(212)	(18 294)
Net cash used in financing activities		(89 859)	(25 253)
Net increase in cash and cash equivalents		174 050	83 585
Effect of movements in exchange rates on cash held		47 113	(2 800)
Cash and cash equivalents at beginning of year		270 805	190 020
Cash and cash equivalents at end of year		491 968	270 805
<i>Cash and cash equivalents comprise:</i>			
Cash and cash equivalents		491 968	270 805
Less: Bank overdrafts		-	-
Cash and cash equivalents at end of year		491 968	270 805

* Settlement of contingent consideration has been re-presented under financing activities.

CONSOLIDATED SEGMENT ANALYSIS

for the year ended 28 February 2023

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	Group R'000
2023				
Gross billings	7 056 599	9 371	52 677	7 118 647
External	6 415 680	8 673	-	6 424 353
Internal	640 919	698	52 677	694 294
Revenue and net interest income	658 650	9 371	-	668 021
Depreciation and amortisation	(21 500)	(52)	(148)	(21 700)
Employee benefit expenses	(226 034)	(5 371)	(34 369)	(265 774)
Share of profit of associate, net of tax	355	-	-	355
Operating profit/(loss)	285 803	3 457	(2 233)	287 027
Finance income	4 522	67	(4 219)	370
Finance costs	(4 206)	-	(2 549)	(6 755)
Income tax expense	(67 757)	(703)	(1 520)	(69 980)
Profit/(loss) for the year	218 362	2 821	(10 521)	210 662
Capital expenditure	6 672	144	60	6 876
Segment assets	1 486 248	885	312 836	1 799 969
Segment assets excluding investment in associate	1 484 301	885	312 836	1 798 022
Investment in associate	1 947	-	-	1 947
Segment liabilities	751 185	937	44 971	797 093
2022				
Gross billings	7 361 963	8 352	41 652	7 411 967
External	6 410 489	7 764	614	6 418 867
Internal	951 474	588	41 038	993 100
Revenue and net interest income	610 748	8 352	12	619 112
Depreciation and amortisation	(20 938)	(27)	(327)	(21 292)
Impairment loss on intangible asset	(7 889)	-	-	(7 889)
Employee benefit expenses	(228 367)	(5 100)	(28 303)	(261 770)
Share of profit of associate, net of tax	250	-	-	250
Operating profit/(loss)	228 917	2 934	(2 712)	229 139
Finance income	3 061	35	(3 068)	28
Finance costs	(2 461)	(72)	(2 178)	(4 711)
Income tax (expense)/benefit	(53 629)	(930)	233	(54 326)
Profit/(loss) for the year	175 888	1 967	(7 725)	170 130
Capital expenditure	5 798	14	7	5 819
Segment assets	1 362 824	1 462	274 478	1 638 764
Segment assets excluding investment in associate	1 361 232	1 462	274 478	1 637 172
Investment in associate	1 592	-	-	1 592
Segment liabilities	813 950	1 079	57 888	872 917

CONSOLIDATED SEGMENT ANALYSIS continued

for the year ended 28 February 2023

GEOGRAPHICAL INFORMATION	LOGISTICS SERVICES					
	Africa R'000	United Kingdom R'000	Europe R'000	Asia Pacific R'000	North America R'000	Total R'000
2023						
Gross billings	3 286 932	1 535 136	1 141 457	1 029 434	63 640	7 056 599
Revenue and net interest income	191 211	196 589	151 914	109 106	9 830	658 650
Operating profit/(loss)	86 774	72 959	75 131	52 184	(1 245)	285 803
Profit/(loss) for the year	63 095	58 629	56 004	42 412	(1 778)	218 362
Segment assets	625 308	319 060	269 642	198 977	73 261	1 486 248
Segment liabilities	356 429	142 887	134 941	65 845	51 083	751 185
2022						
Gross billings	2 624 848	1 832 775	1 647 279	1 257 061	-	7 361 963
Revenue and net interest income	151 932	190 526	189 447	78 843	-	610 748
Operating profit	46 711	47 364	99 945	34 897	-	228 917
Profit for the year	35 560	38 233	73 127	28 968	-	175 888
Segment assets	561 909	389 533	268 880	142 502	-	1 362 824
Segment liabilities	317 432	233 759	130 495	132 264	-	813 950

SUPPLEMENTARY INFORMATION

for the year ended 28 February 2023

1. BASIS OF PREPARATION

The audited summarised consolidated financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and the South African Institute for 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 ("FRSC"), and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and comply with the Listing Requirements of the JSE Limited ("JSE") and the Companies Act of South Africa (Act 71 of 2008) ("the Companies Act").

The full consolidated financial statements from which these summarised consolidated financial statements were derived are available on request from the Group's registered office.

These summarised consolidated financial statements and the full consolidated financial statements have been prepared under the supervision of Mr JS Robertson, CA (SA) and were approved by the Board of Directors ("the Board") on 17 May 2023.

2. ACCOUNTING POLICIES

The accounting policies applied in preparation of these summarised consolidated financial statements are consistent with those applied in the summarised consolidated financial statements for the year ended 28 February 2022.

	Audited 2023 R'000	Audited 2022 R'000
3. REVENUE		
Gross billings	6 424 353	6 418 867
Less: recoverable disbursements	(5 756 332)	(5 799 755)
Revenue and net interest income	668 021	619 112
Revenue from contracts with clients		
Revenue from the provision of services comprises:	654 379	611 022
Logistic services	645 008	603 246
Insurance commission and management fees	9 371	7 764
Other revenue ¹	-	12
Net interest income from the provision of credit facilities comprises:	13 642	8 090
Interest and financing fee income	35 461	21 987
Interest and financing fee expenses	(21 819)	(13 897)
Revenue and net interest income	668 021	619 112

¹ Other revenue comprises ad-hoc service revenue in the Group.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

4. EARNINGS PER SHARE

		Audited 2023	Audited 2022
Basic earnings per share	(cents)	154,74	122,60
Headline earnings per share ("HEPS")	(cents)	154,83	126,81
Diluted earnings per share	(cents)	151,00	119,56
Diluted HEPS	(cents)	151,09	123,66

Reconciliation between basic and headline earnings:	Profit from ordinary activities R'000	Taxation effect R'000	Non- controlling interests R'000	Net effect R'000
2023				
Profit for the period/Basic earnings	280 642	(69 980)	(15)	210 647
<i>Adjusted for:</i>				
- Loss on disposal of plant and equipment	177	(50)	-	127
Headline earnings	280 819	(70 030)	(15)	210 774

2022				
Profit for the period/Basic earnings	224 456	(54 326)	(38)	170 092
<i>Adjusted for:</i>				
- Profit on disposal of plant and equipment	(62)	17	-	(45)
- Impairment loss on intangible asset	7 889	(1 999)	-	5 890
Headline earnings	232 283	(56 308)	(38)	175 937

Numbers of shares used in the calculations:	2023 Shares 000's	2022 Shares 000's
Shares in issue at end of year	133 556	138 420
Weighted Average Number of Ordinary Shares ("WANOS") at end of year*	136 130	138 737
Diluted WANOS at end of year	139 503	142 270

Reconciliation of WANOS to Diluted WANOS:	2023 Shares 000's	2022 Shares 000's
WANOS at end of year*	136 130	138 737
Effect of unexercised share options	3 373	3 533
Diluted WANOS at end of year	139 503	142 270

* The Group holds zero (2022: 1 329 736) treasury shares through a subsidiary which have been excluded from the WANOS calculations.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

5. INTANGIBLE ASSETS

	Audited 2023 R'000	Audited 2022 R'000
Goodwill		
Carrying amount at beginning of year	289 078	294 941
Acquisition through business combination	38 272	-
Effects of exchange differences	23 731	(5 863)
Carrying amount at end of year	351 081	289 078
Carrying amount of computer software and indefinite useful life intangible assets	10 760	8 974
Total intangible assets	361 841	298 052

Acquisition of business during the current reporting period

On 21 September 2022, the Group concluded a purchase and sale agreement for the acquisition of A-Link Freight Inc. ("A-Link"). The sale agreement gave the Group the option to close the sale as either an asset or a share purchase (100% of the issued share capital) with the election required by 21 September 2023. Although legal ownership of the assets, or shares, had not transferred by the reporting date, the sale agreement provided the Group with full operational control, including all decision-making aspects of A-Link's inputs and processes (i.e. the business) from 21 September 2022. Therefore, the Group obtained control of the business with effect from 21 September 2022 (the acquisition date).

The agreement provided for the distribution of the net asset value in A-Link to the sellers, resulting in the fair value of the net assets on acquisition date being RNil. The R38 272 270 by which the purchase price exceeded the fair value of the net assets acquired has been recognised as goodwill.

A-Link contributed revenue of R9 830 297 and a loss of R1 777 974 to the results for the reporting period. If the acquisition had been effective 1 March 2022, A-Link's contribution would be revenue of R26 570 792 and a profit of R695 695.

The Group incurred acquisition-related costs of R611 784 on legal fees and due diligence costs. These costs have been included in administrative expenses.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Level	Audited 2023 R'000	Audited 2022 R'000
Financial assets at fair value through profit or loss			
<i>Non-current</i>			
Future profit share on rental agreement ¹	2	3 502	3 502
Guardrisk cell captive ²	2	4 155	3 069
		7 657	6 571
<i>Current</i>			
Forward exchange contracts	2	-	1 781
		-	1 781
Financial liabilities at fair value through profit or loss			
<i>Non-current</i>			
Contingent considerations ³	3	(16 088)	-
		(16 088)	-
<i>Current</i>			
Contingent considerations ³	3	-	(558)
Forward exchange contracts	2	(291)	(1 520)
Financial liabilities at amortised cost			
<i>Current</i>			
Deferred consideration ⁴		(12 898)	-
		(13 189)	(2 078)

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - Quoted prices (unadjusted) 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 or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

There were no transfers between the fair value hierarchy levels during the reporting periods.

¹ *Santova Logistics (Pty) Ltd (SA) ("Santova Logistics") entered into a profit-sharing agreement with the landlord of their Durban premises at inception of the lease in the 2007 reporting period. This agreement gives Santova Logistics a specified portion of the actual or deemed profit made should the building be sold or vacated. The inputs used to determine the fair value of the profit-share are as follows:*

<i>Current net market rental (including parking bays)</i>	<i>R144 per m²</i>
<i>Capitalisation rate (on a vacant basis)</i>	<i>10,75%</i>

² *This represents the fair value of the investment by Santova Logistics in a cell captive administered by Guardrisk, and is recognised as a financial asset with changes in fair value being recognised in profit or loss for the reporting period. The fair value of the cell captive is determined as the net asset value that represents fair value.*

In the event of claims being lodged in terms of the Marine Insurance Policy, the insurance cell captive referred to in this note will be required to cover the first R50 000 of any claim up to a limit of R100 000 for any one loss or series of losses arising from the same event. The balance of the claim is covered by the Marine Insurance Policy's underwriters

The maximum liability of the cell captive is limited to R750 000 per reporting period, provided that this is matched by the premiums received during the reporting period. Should the premiums received for the reporting period amount to less than R750 000, Santova Logistics will be liable to fund the cell captive to cover the shortfall.

The cell has received premiums in excess of the R750 000 minimum required during the both reporting periods. The Group drew dividends of RNil (2022: R2 000 000) during the reporting period.

Based on the claims history, insurance legislation and the likelihood of future claims, the directors believe that the cell captive has adequate reserves and provisions to cover future claims.

³ *This represents the fair value of the remaining contingent purchase obligations arising from acquisitions. The fair value of the liabilities has been calculated as the net present value of the warranty payments, a discounted cash flow method, which management reasonably expects to be achieved, as set out in the acquisition agreements, discounted at the weighted average cost of capital for the acquired entities. The financial liability is reconciled as follows:*

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

	Audited 2023 R'000	Audited 2022 R'000
Carrying amount at beginning of year	558	20 064
Contingent consideration recognised on acquisition of business	14 908	-
Fair value loss	537	443
Fair value gain	(345)	(1 011)
Foreign exchange gain on translation	(1)	(32)
Foreign exchange loss/(gain) on translation recognised in foreign currency translation reserve	643	(612)
Settled during the period	(212)	(18 294)
Carrying amount at end of year	16 088	558

The remaining contingent consideration relates to the following acquisitions that were successfully completed during the current and prior reporting periods:

Acquiring company	Target company/business	Carrying amount 2023 R'000	Carrying amount 2022 R'000
Santova USA Holdings Inc.	A-Link Freight Inc.	16 088	-
Santova International Holdings (Pty) Ltd	ASM Logistics (Thailand) Co. Ltd	-	213
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmbH	-	345

The fair value of the remaining contingent consideration is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined by taking into consideration the expected level of profitability of each acquisition over the warranty period. A discount rate of 8,6% has been applied to the contingent consideration recognised in relation to A-Link Freight Inc.

⁴ This represents the deferred consideration in respect of the acquisition of the business of A-Link.

7. NON-CURRENT ASSET HELD FOR SALE

	Group 2023 R'000	Group 2022 R'000
Carrying amount at beginning of year	-	-
Transfer from property, plant and equipment	9 130	-
Carrying amount at end of year	9 130	-

During the reporting period a subsidiary, Tradeway North West Limited, committed to a plan to dispose of a building located in Manchester, UK. Management expects the sale will be completed within the next reporting period.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

8. STATED CAPITAL

	Audited 2023 R'000	Audited 2022 R'000
Authorised		
300 000 000 Ordinary shares of no par value (2022: 300 000 000 Ordinary shares of no par value)		
Issued		
133 555 821 Ordinary shares of no par value (2022: 138 420 252 Ordinary shares of no par value)	116 866	163 998
Total stated capital	116 866	163 998
Reconciliation of the carrying amount of ordinary shares in issue:		
Carrying amount at beginning of year	163 998	221 096
Exercise of share options ¹	5 779	494
Share issue costs	(42)	(2)
Treasury shares cancelled ²	(5 699)	(57 590)
Shares bought back and cancelled ³	(47 170)	-
Carrying amount at end of year	116 866	163 998
	2023 '000 Shares	2022 '000 Shares
Reconciliation of number of ordinary shares in issue:		
Carrying amount at beginning of year	137 089	140 872
Exercise of share options ¹	2 571	218
Treasury shares acquired ⁴	-	(4 001)
Treasury shares cancelled ²	-	-
Shares bought back and cancelled ³	(6 104)	-
Carrying amount at end of year	133 556	137 089

¹ During the reporting period, ten participants of the Santova Share Option Scheme exercised their options for 2 569 446 (2022: 218 304) ordinary shares in the Company at a weighted average price of 225 cents (2022: 226 cents) per share.

² During the reporting period, 1 329 736 (2022: 23 279 097) treasury shares originally purchased from the open market by a subsidiary were cancelled, resulting in a reduction of the total issued share capital of the Company. The sale from the subsidiary to the Company constitutes a non-cash transaction.

³ During the current reporting period, the Company repurchased and cancelled 6 104 141 ordinary shares on the open market for a total consideration of R47 170 335.

⁴ During the prior reporting period, a subsidiary acquired 4 000 763 treasury shares on the open market for a total consideration of R15 193 709.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

9. INTEREST-BEARING BORROWINGS

	Audited 2023 R'000	Audited 2022 R'000
Medium term loan ¹	7 859	9 574
Medium term loan ²	7 867	17 640
Medium term loan ³	9 295	13 968
Loan - F Heuer ⁴	-	13 009
Less: current portion	(16 287)	(31 811)
Non-current portion	8 734	22 380

¹ This loan was taken by Santova International Holdings (Pty) Ltd during the prior reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over five years at monthly instalments of R211 178 (2022: R197 976). This loan is secured by intra-Group sureties supplied by subsidiaries.

² This loan was taken by Santova International Holdings (Pty) Ltd during the prior reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over two years at monthly instalments of R912 139 (2022: R895 122). This loan is secured by intra-Group sureties supplied by subsidiaries.

³ This loan was taken by Santova International Holdings (Pty) Ltd during the 2019 reporting period. The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over six years. The payments for the first year were on an interest-only basis. The loan is then repayable over the next five years at quarterly instalments of R1 471 305 (2022: R1 421 215). This loan is secured by intra-Group sureties supplied by subsidiaries.

⁴ This loan was taken out as part of the purchase agreement of MLG Maritime Cargo Logistics GmbH (Germany) whereby the seller advanced funds of €740 000 to Santova Logistics B.V. The initial agreement was for a period of one year and was subsequently renewed with the agreement of both parties. The loan bore interest at a flat rate of 4% and was fully repaid during the current reporting period.

The first three loans have been granted by Nedbank Limited, the Group's primary bankers. As a condition of granting the loans, the Group banking facilities contain certain covenants with respect to minimum levels of actual shareholders' funds, a maximum ratio of debt to EBITDA* and a minimum ratio of EBITDA* to interest cover. These covenants are monitored on an ongoing basis by management and reviewed and confirmed annually with the Group's bankers. At the reporting date, none of the covenants had been breached nor was the Group in proximity of breach.

* Earnings before interest, tax, depreciation and amortisation.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

10. PROVISIONS

	Audited 2023 R'000	Audited 2022 R'000
Provision for legal claims	12 207	11 334
	12 207	11 334

The Group recognised a provision of R11,3 million in the prior reporting period, which represented the potential exposure of the Group and remains the Group's best estimate thereof, with the current year movement attributable to a foreign exchange loss on translation. The matter remains unresolved at reporting date with the final settlement amount not yet determined.

11. NOTES TO THE STATEMENTS OF CASH FLOWS

	Audited 2023 R'000	Audited 2022 R'000
11.1 Cash generated from operations		
Profit before tax	280 642	224 456
<i>Adjustments for:</i>		
Depreciation and amortisation	21 700	21 292
Loss/(profit) on disposal of plant and equipment	177	(62)
Impairment loss on intangible asset	-	7 889
Finance income	(370)	(28)
Finance costs	6 755	4 711
Foreign exchange gains	(1)	(349)
Fair value gain	(883)	(113)
Movement in defined benefit plan liability	(92)	(127)
Equity-settled share-based payment expense	326	324
Share of profit of associate, net of tax	(355)	(250)
Modification of lease liabilities	-	(15)
<i>Working capital changes:</i>		
Increase in discounting of trade receivables	6 950	24 379
Decrease/(increase) in trade and other receivables	138 534	(256 886)
(Decrease)/increase in trade and other payables and provisions	(100 712)	138 472
	352 671	163 693
11.2 Tax paid		
Net tax payable at the beginning of the year	(20 447)	(9 268)
Income tax expense recognised in profit or loss	(69 355)	(56 186)
Foreign exchange translation	(1 992)	180
Net tax payable at the end of the year	19 905	20 447
	(71 889)	(44 827)

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

11. NOTES TO THE STATEMENTS OF CASH FLOWS continued

	Audited 2023 R'000	Audited 2022 R'000
11.3 Acquisition of a business		
Fair value of assets acquired and liabilities assumed:	-	-
Property, plant and equipment	102	-
Trade and other receivables	12 698	-
Right-of-use ("ROU") assets	3 340	-
Deferred tax	1 896	-
Cash and cash equivalents	9 484	-
Trade and other payables	(23 529)	-
Lease liabilities	(3 991)	-
Net assets acquired	-	-
Goodwill	38 272	-
Total consideration	38 272	-
Deferred consideration	(12 898)	-
Contingent consideration	(16 088)	-
Finance costs relating to financial liability	967	-
Effects of foreign currency translation	1 158	-
Settled in cash	11 411	-
Less: cash and cash equivalents acquired on acquisition	(9 484)	-
Net cash outflow in respect of acquisition	1 927	-

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2023

12. EVENTS AFTER THE REPORTING PERIOD

There were no events material to the understanding of the financial statements that occurred in the period between the reporting date and the publication date of the financial statements.

13. APPROVAL OF FINANCIAL STATEMENTS

The summarised consolidated financial statements were approved by the Board on 17 May 2023.

14. AUDIT OPINION

These summarised consolidated financial statements for the year ended 28 February 2023 have been audited by the Group's independent auditor, Moore Johannesburg Inc. ("Moore"), who has expressed an unmodified opinion thereon. The auditor has also expressed an unmodified opinion on the consolidated financial statements for the year ended 28 February 2023 from which these summarised consolidated financial statements were derived. The summarised consolidated financial results comprise the statements of financial position at 28 February 2023 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes. A copy of the auditor's report on the summarised consolidated financial statements and the auditor's report on the consolidated and separate financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's report. Moore has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly has not expressed an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

DIVIDEND ANNOUNCEMENT

The directors have declared that given the Group's continued focus on building value per share, the Group's cash resources are best applied by reinvesting in the business and therefore no dividend has been declared for the 2023 financial year.

By order of the Board

J Lupton

Company Secretary

17 May 2023

CORPORATE INFORMATION

SANTOVA LIMITED

Country of Incorporation
Republic of South Africa

Registration Number
1998/018118/06

Share Code
SNV

ISIN
ZAE000159711

NATURE OF BUSINESS

International technology-based trade solutions specialist

DIRECTORS

Independent Non-Executive Directors

ESC Garner (Chairman)
EM Ngubo
ME Stewart
TL Woodroffe

Executive Directors

GH Gerber (Chief Executive Officer)
JS Robertson (Group Financial Director)
AL van Zyl

COMPANY SECRETARY

JA Lupton, FCG
Highway Corporate Services (Pty) Ltd
PO Box 1319, Hillcrest, 3650, South Africa

JSE SPONSOR

River Group
Unit 2, 211 Kloof Street, Waterkloof,
Pretoria, 0145, South Africa

GROUP AUDITOR

Moore Johannesburg Inc.

50 Oxford Road, Parktown,
Johannesburg, 2193, South Africa

SHARE REGISTRAR

Computershare Investor Services (Pty) Ltd

Private Bag X9000, Saxonwold, 2132, South Africa

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Contact Number

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CORPORATE BANKERS

Nedbank Limited

PO Box 1144, Sandown, 2196, South Africa



A Specialist Provider of Innovative Global Trade Solutions.

- Santova's diversification in terms of geographies, currencies, industries, products and services enables it to manage a global network of inter-connected activities for multinational organisations from origin to point-of-consumption.
- This diversification also enables it to hedge against unexpected 'regional risks' whilst at the same time allowing it to capitalise on opportunities that may present themselves globally.

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