



INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

# UNAUDITED GROUP INTERIM RESULTS

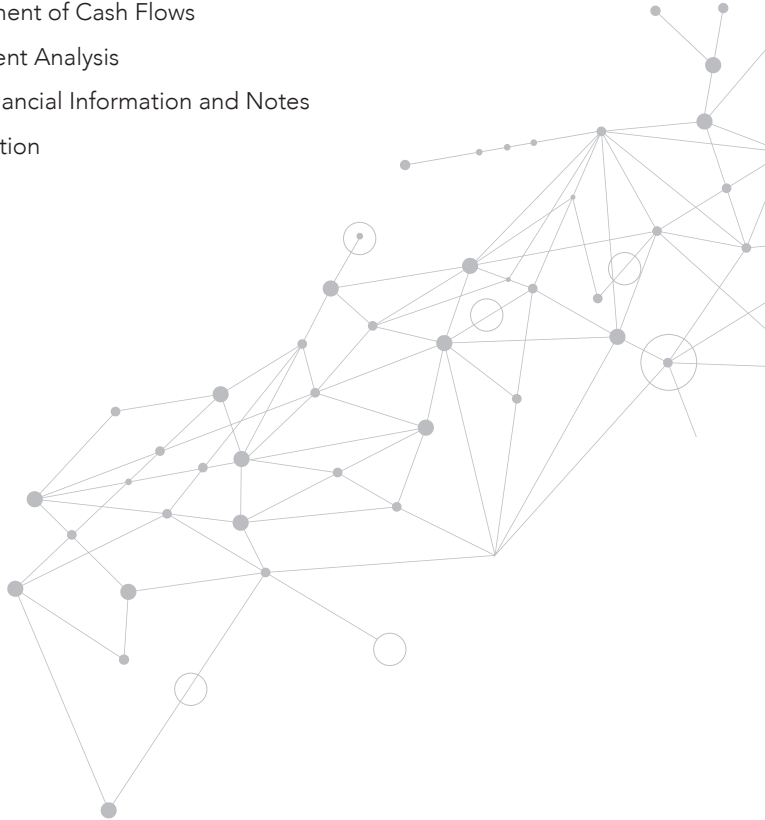
FOR THE SIX MONTHS ENDED 31 AUGUST 2021



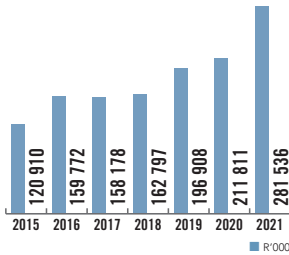
---

# TABLE OF CONTENTS

- 03 Santova Group Interim Highlights
- 04 Santova Interim Results Commentary
- 07 Condensed Statement of Profit and Loss and Other Comprehensive Income
- 08 Condensed Statement of Financial Position
- 09 Condensed Statement of Changes in Equity
- 10 Condensed Statement of Cash Flows
- 11 Condensed Segment Analysis
- 13 Supplementary Financial Information and Notes
- 19 Corporate Information



# SANTOVA GROUP INTERIM HIGHLIGHTS



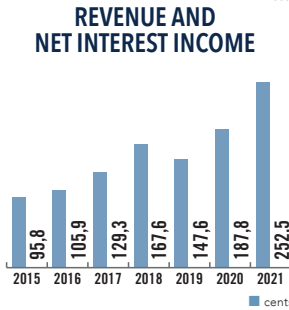
REVENUE AND NET INTEREST INCOME INCREASED BY **32,9%**

RETURN ON EQUITY INCREASED TO **21,0%**

HEADLINE EARNINGS PER SHARE INCREASED BY **120,6%**

TANGIBLE NET ASSET VALUE PER SHARE INCREASED BY **34,5%**

OFFSHORE EARNINGS OF **89,6%**



TANGIBLE NET ASSET VALUE PER SHARE

		2021 August	2020 August	% Movement
Gross billings	(R'000)	2 926 165	2 094 170	39,7
Revenue and net interest income	(R'000)	281 536	211 811	32,9
Profit before tax	(R'000)	89 355	44 458	101,0
Billings margin	(%)	9,6	10,1	(0,5)
Headline earnings	(R'000)	67 446	33 547	101,0
Operating margin	(%)	32,4	22,5	9,9
Percentage offshore earnings	(%)	89,6	111,9	(22,3)
Basic earnings per share	(cents)	48,2	21,8	121,1
Headline earnings per share	(cents)	48,1	21,8	120,6
Total assets	(R'000)	1 198 706	1 248 528	(4,0)
Capital and reserves	(R'000)	656 346	632 565	3,8
Cash generated from operations	(R'000)	82 103	77 749	5,6
Cash and cash equivalents	(R'000)	227 717	185 166	23,0
Debt-to-equity ratio*	(%)	4,5	6,9	(2,4)
Net asset value per share	(cents)	465,8	392,8	18,6
Tangible net asset value per share	(cents)	252,5	187,8	34,5
Return on equity	(%)	21,0	10,6	10,4

\* Debt includes interest-bearing borrowings as set out in note 7.

---

# SANTOVA LIMITED 2021 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2021

## INTRODUCTION

The Santova Group is an international, non-asset, technology-based trade solutions specialist. Its business model is that of an integrator that assembles the intellectual capital and technology of the Group, together with specialised resources and capabilities of external sources, to design, develop and execute comprehensive global trade and supply chain solutions for selective clients.

To this end, the Group is represented by 23 of its own offices in 10 countries, including South Africa, Mauritius, Germany, the Netherlands, the United Kingdom, Australia, Hong Kong, Singapore, Thailand, and Vietnam.

The Group's culture is one of a leading entrepreneurial 'spirit', which is closely followed by levels of governance necessary to manage or curtail the risks that typically accompany a highly entrepreneurial climate.

## OVERVIEW

Severe disruptions to international supply chains have persisted for the first half of the financial year, resulting in record level and volatile freight rates, including severe capacity and equipment constraints, which have collectively had a significant impact on global supply chains. Despite this, the Santova Group has been able to leverage off its intellectual capital, technological capability, international network and own offices throughout this period to successfully roll out highly effective global trade solutions and competitive end-to-end supply chain solutions to clients.

With clients looking for savings more than ever before, the ability to leverage off technology, and to secure favourable buy-rates and capacity on key trade lanes, has provided a competitive edge that lead to a record number of new clients opting for Santova Group services.

The outcome has been that Group net profit after tax ("NPAT") for the 6 months to August 2021, rose by 101,7% to R67,6 million (2020: R33,5 million), and headline earnings per share ("HEPS") increased by 120,6% to 48,1 cents per share (2020: 21,8 cents per share).

The business has seen a maturity in its leadership across all business units in terms of knowledge, skills, and abilities. Benefit is now also visible from the recent initiatives undertaken to optimise staffing structures and continue with the implementation of technology to automate manual processes and integrate systems between all regions.

## FINANCIAL REVIEW

Revenue and net interest income increased by 32,9% to R281,5 million (2020: R211,8 million), while offshore earnings of 89,6% (2020: 111,9%) reflect a return to pre-COVID-19 levels due to the recovery of the South African region.

Trade and other receivables decreased by R46,0 million to R580,8 million (2020: R626,8 million), primarily due to the strengthening of the Rand and subsequent remeasurement of foreign denominated debtors, as well as the closure of a large account whose payment terms were longer, relative to the average term of the current debtor's book. While high freight rates have increased debtors' exposure - credit risk and limit management have remained a key focus with debtor's days improving significantly by 12,3 days to 34,3 days (2020: 46,6 days).

Trade and other payables declined by R41,0 million to R284,5 million (2020: R325,5 million), driven by the general reduction in credit terms by shipping lines and, in some cases, the newly introduced requirement to prepay freight costs to secure capacity.

---

# SANTOVA LIMITED 2021 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2021 (continued)

Intangible assets decreased by R29,6 million from August 2020 following the strengthening of the Rand and subsequent remeasurement of foreign denominated Goodwill values.

Interest-bearing borrowings declined by R14,2 million to R29,6 million (2020: R43,8 million), due to the ongoing settlement of the medium-term loans. The debt-to-equity ratio is now 4,5% (2020: 6,9%).

Net cash from operating activities for the period increased by R3,4 million to R72,4 million (2020: R69,0 million), with cash and cash equivalents having risen to R227,7 million (2020: R185,2 million). The revaluation of foreign currencies resulted in a net decrease in cash and cash equivalents of R9,5 million as a result of the strengthening of the Rand.

The Group has continued to repurchase its own shares, which amounted to 2 671 027 shares over the period under review, at an average price of R3,41 per share.

For the 6 months under review, the Rand strengthened against all currencies in which the Group operates, with significant gains against the Great British Pound ("GBP" 8,2%), Euro (11,7%), Hong Kong Dollar ("HKD" 17,2%), Singapore Dollar ("SGD" 13,3%) and Australian Dollar ("AUD" 5,9%). The result has been a diluted contribution in Rands from the Group's offshore operations, and a reduction in the valuation of foreign denominated currencies and assets.

## REGIONAL PERFORMANCE

### Africa

Africa, predominantly represented by South Africa ("SA"), grew revenue by 16,6% to R63,5 million (2020: R54,4 million). The turbulent shipping market, compounded by the continuation of a struggling South African economy, have driven South African businesses to seek savings in all areas and particularly within their supply chains. Due to Santova's extensive international presence, capability, and intellectual capital, Santova has benefited from this growing need, with the region having acquired a record number of new clients – particularly quality clients - in the first half of the financial year. The growth in revenue is also attributed to the comparative volumes in the first half of the prior year being suppressed due to the partial port closures between March and May 2020.

### Asia Pacific

Asia Pacific, which includes Australia, Hong Kong and Singapore, increased revenue by 9,5% to R35,3 million (2020: R32,3 million) and contributed regionally as follows:

Australia grew revenue by 18,7% in local currency (AUD) primarily due to increased trade emanating from the region's existing client base.

Hong Kong, which serves as a 'control tower' for the Group (negotiating rates and capacity with the shipping lines in China), increased revenue by 47,4% in local currency (HKD). The region has played a key role in securing scarce capacity for Santova clients globally who import from China.

Singapore revenue declined by 11,6% in local currency (SGD) due to the generally lower levels of trade through the region in the current year. For the prior year 6 months to August 2020, the region benefited from a significant number of shipments being diverted through Singapore as various Asian ports were temporarily closed with the onset of COVID-19 related restrictions.

---

# SANTOVA LIMITED 2021 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2021 (continued)

Overall, NPAT for the Asia Pacific region declined by 12,1% to R10,9 million (2020: R12,4 million). While revenue grew and overheads remained relatively consistent, it should be noted that Australia and Singapore did not benefit in the period under review from a combined R3,7 million in COVID-19 related government support packages, which they collectively received in the prior year.

## Europe

Europe, which comprises the Netherlands and Germany, increased revenue by 60,2% to R94,2 million (2020: R58,8 million), and NPAT increased by 210,4% to R33,9 million (2020: R10,9 million).

The Netherlands acquired several new clients in the current year and benefited from elevated trade into Europe through the Rotterdam port due to Brexit, increasing revenue in local currency (Euro) by 91,9%.

Germany grew revenue by 60,1% in local currency (Euro), primarily through the acquisition of a fixed contract to facilitate the importation of COVID-19 related supplies.

## United Kingdom

The United Kingdom ("UK") increased revenue by 34,7% to R84,3 million (2020: R62,6 million), with NPAT increasing by 11,1% to R15,8 million (2020: R14,2 million).

The UK has acquired several new, high-quality clients in the current year. Operating margins have also improved in the current financial year as a result of optimisation exercises undertaken in the previous financial year.

The increase in revenue and profit is in large attributed to Tradeway Shipping, which experienced a significant decline in revenue in the prior year. The main reason for the decline was that its client base, who predominantly ship to Africa and the Middle East, were significantly impacted by COVID-19 related restrictions implemented in their respective destinations. The business has since returned to and exceeded pre-COVID-19 activity levels in the current financial year.

# CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Unaudited		Audited
		6 months to 31 August 2021 R'000	6 months to 31 August 2020 R'000	12 months to 28 February 2021 R'000
<b>Gross billings</b>		<b>2 926 165</b>	2 094 170	4 463 487
<b>Revenue</b>		<b>278 033</b>	207 112	434 612
<b>Net interest income</b>		<b>3 503</b>	4 699	7 582
Interest and financing fee income		8 903	11 811	21 135
Interest and financing fee expense		(5 400)	(7 112)	(13 553)
<b>Revenue and net interest income</b>	2	<b>281 536</b>	211 811	442 194
Other income		4 324	12 747	21 385
Depreciation and amortisation		(11 059)	(14 074)	(27 124)
Administrative expenses		(178 642)	(158 557)	(333 057)
Impairment loss on trade receivables		(4 981)	(4 250)	(6 182)
<b>Operating profit</b>		<b>91 178</b>	47 677	97 216
Finance income		19	51	110
Finance costs		(2 016)	(3 270)	(5 520)
<b>Profit before share of associate companies' profit</b>		<b>89 181</b>	44 458	91 806
Share of associate companies' profit after tax		174	-	96
<b>Profit before tax</b>		<b>89 355</b>	44 458	91 902
Income tax expense		(21 763)	(10 953)	(22 184)
<b>Profit for the period</b>		<b>67 592</b>	33 505	69 718
Attributable to:				
Owners of the Company		67 541	33 474	69 680
Non-controlling interest		51	31	38
		<b>67 592</b>	33 505	69 718
<b>Other comprehensive income for the period</b>				
Items that may be reclassified subsequently to profit or loss				
<i>Exchange differences arising from translation of foreign operations</i>		(21 014)	45 488	16 299
Items that will not be reclassified subsequently to profit or loss				
<i>Remeasurements of post-retirement medical aid benefit liability *</i>		-	-	(15)
<b>Total comprehensive income for the period</b>		<b>46 578</b>	78 993	86 002
Attributable to:				
Owners of the Company		46 531	78 958	85 969
Non-controlling interest		47	35	33
		<b>46 578</b>	78 993	86 002
Basic earnings per share	(cents)	<b>48,21</b>	21,77	46,51
Diluted basic earnings per share	(cents)	<b>47,19</b>	21,37	45,92

\* Net of tax

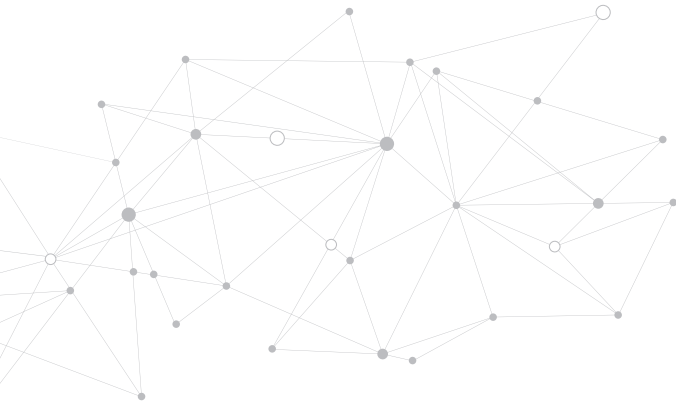
# CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited		Audited
		31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>389 117</b>	<b>433 274</b>	<b>403 015</b>
		<b>26 380</b>	<b>30 111</b>	<b>27 752</b>
		<b>36 531</b>	<b>47 726</b>	<b>39 989</b>
	4	<b>300 635</b>	<b>330 208</b>	<b>312 177</b>
		<b>1 516</b>	<b>1 328</b>	<b>1 342</b>
	5	<b>8 028</b>	<b>9 880</b>	<b>7 558</b>
		<b>16 027</b>	<b>14 021</b>	<b>14 197</b>
<b>Current assets</b>		<b>809 589</b>	<b>815 254</b>	<b>915 760</b>
		<b>580 842</b>	<b>626 801</b>	<b>725 102</b>
		<b>1 030</b>	<b>3 287</b>	<b>179</b>
	5	<b>-</b>	<b>-</b>	<b>448</b>
		<b>227 717</b>	<b>185 166</b>	<b>190 031</b>
<b>Total assets</b>		<b>1 198 706</b>	<b>1 248 528</b>	<b>1 318 775</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<b>656 346</b>	<b>632 565</b>	<b>619 040</b>
<b>Non-current liabilities</b>		<b>39 398</b>	<b>71 388</b>	<b>43 350</b>
	7	<b>10 617</b>	<b>14 871</b>	<b>12 810</b>
		<b>984</b>	<b>1 096</b>	<b>984</b>
	5	<b>1 034</b>	<b>19 702</b>	<b>857</b>
		<b>26 022</b>	<b>35 215</b>	<b>27 966</b>
		<b>741</b>	<b>504</b>	<b>733</b>
<b>Current liabilities</b>		<b>502 962</b>	<b>544 575</b>	<b>656 385</b>
		<b>284 502</b>	<b>325 480</b>	<b>391 354</b>
		<b>24 953</b>	<b>16 932</b>	<b>9 447</b>
	7	<b>18 970</b>	<b>28 902</b>	<b>19 781</b>
		<b>274</b>	<b>317</b>	<b>285</b>
	5	<b>18 121</b>	<b>18 625</b>	<b>19 482</b>
		<b>12 769</b>	<b>15 095</b>	<b>14 512</b>
		<b>143 373</b>	<b>139 224</b>	<b>201 524</b>
<b>Total equity and liabilities</b>		<b>1 198 706</b>	<b>1 248 528</b>	<b>1 318 775</b>



# CONDENSED STATEMENT OF CHANGES IN EQUITY

	Unaudited		Audited
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>CAPITAL AND RESERVES</b>			
Balance at beginning of period	619 040	564 533	564 533
Profit for the year	67 592	33 505	69 718
Other comprehensive income	(21 014)	45 488	16 268
Treasury shares acquired	(9 471)	(11 445)	(32 446)
Equity-settled share-based payment expense	172	484	917
Shares issued under share option scheme	28	-	51
Share issue costs	(1)	-	(1)
<b>Balance at end of period</b>	<b>656 346</b>	<b>632 565</b>	<b>619 040</b>
<b>COMPRISING:</b>			
Stated capital	172 885	220 995	221 096
Equity-settled share-based payment reserve	8 751	8 226	8 607
Revaluation reserve	36	36	36
Treasury shares	(9 301)	(27 094)	(48 095)
Foreign currency translation reserve	31 674	81 879	52 684
Retained earnings	452 155	348 422	384 613
<b>Attributable to equity holders of the Company</b>	<b>656 200</b>	<b>632 464</b>	<b>618 941</b>
Non-controlling interest	146	101	99
<b>Capital and reserves</b>	<b>656 346</b>	<b>632 565</b>	<b>619 040</b>



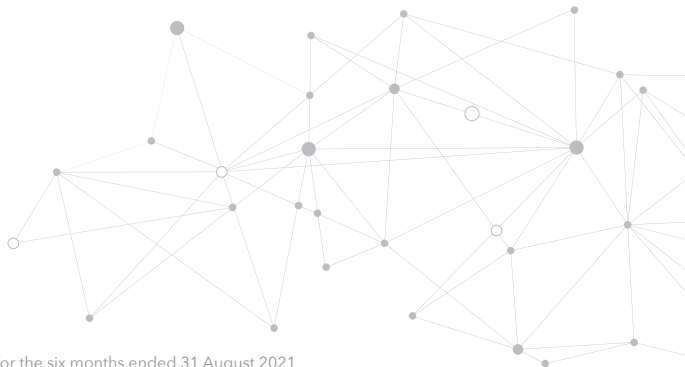
# CONDENSED STATEMENT OF CASH FLOWS

	Unaudited		Audited
	6 months to 31 August 2021 R'000	6 months to 31 August 2020 R'000	12 months to 28 February 2021 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	82 103	77 749	175 985
Finance income	19	51	110
Finance costs	(792)	(3 218)	(5 244)
Tax paid	(8 931)	(5 589)	(21 141)
<b>Net cash from operating activities</b>	<b>72 399</b>	<b>68 993</b>	<b>149 710</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of plant and equipment	(1 738)	(717)	(1 939)
Acquisition and development of intangible assets	(2 810)	(2 193)	(4 459)
Proceeds on disposals of plant and equipment	249	285	72
Settlement of contingent consideration on business combination	(166)	(4 111)	(20 398)
Acquisition of subsidiary net of cash acquired	-	-	(835)
<b>Net cash used in investing activities</b>	<b>(4 465)</b>	<b>(6 736)</b>	<b>(27 559)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of interest-bearing borrowings	(2 490)	(7 477)	(19 694)
Payment of lease liabilities	(8 770)	(12 160)	(21 491)
Proceeds from issue of share capital	27	-	50
Treasury shares acquired	(9 471)	(11 445)	(32 446)
Related party loans raised	-	23	-
Related party loans repaid	(11)	-	(9)
<b>Net cash used in financing activities</b>	<b>(20 715)</b>	<b>(31 059)</b>	<b>(73 590)</b>
Net increase in cash and cash equivalents	47 219	31 198	48 561
Difference arising on translation	(9 522)	19 566	7 057
Cash and cash equivalents at beginning of period	190 020	134 402	134 402
<b>Cash and cash equivalents at end of period</b>	<b>227 717</b>	<b>185 166</b>	<b>190 020</b>
<i>Cash and cash equivalents is made up as follows:</i>			
Cash and cash equivalents	227 717	185 166	190 031
Less: Bank overdrafts	-	-	(11)
<b>Cash and cash equivalents at end of period</b>	<b>227 717</b>	<b>185 166</b>	<b>190 020</b>

# CONDENSED SEGMENT ANALYSIS

	Logistics Services R'000	Financial Services R'000	Head Office R'000	Consolidated R'000
<b>BUSINESS SEGMENTS</b>				
<b>31 August 2021</b>				
Revenue and net interest income	277 252	4 284	-	281 536
Operating profit/(loss)	90 064	1 444	(330)	91 178
Profit/(loss) for the period	68 743	211	(1 362)	67 592
Total segment assets	926 521	744	271 441	1 198 706
Segment assets excluding investment in associate	926 521	744	269 925	1 197 190
Investment in associate	-	-	1 516	1 516
Total segment liabilities	514 973	384	27 003	542 360
Depreciation and amortisation	10 829	15	215	11 059
Capital expenditure	4 279	-	-	4 279

<b>31 August 2020</b>				
Revenue and net interest income	208 051	3 760	-	211 811
Operating profit	46 415	1 292	(30)	47 677
Profit/(loss) for the period	34 652	604	(1 751)	33 505
Segment assets	936 657	1 434	310 437	1 248 528
Segment assets excluding investment in associate	936 657	1 434	309 109	1 247 200
Investment in associate	-	-	1 328	1 328
Total segment liabilities	566 100	1 138	48 725	615 963
Depreciation and amortisation	13 831	32	211	14 074
Capital expenditure	2 894	-	16	2 910



# CONDENSED SEGMENT ANALYSIS continued

	LOGISTICS SERVICES				
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
<b>GEOGRAPHICAL SEGMENTS</b>					
<b>31 August 2021</b>					
Revenue and net interest income	63 450	35 344	84 312	94 146	277 252
Operating profit	10 652	12 559	19 991	46 862	90 064
Profit for the period	8 202	10 862	15 817	33 862	68 743
Total assets	346 988	116 610	256 990	205 933	926 521
Total liabilities	138 456	146 002	127 608	102 907	514 973
Depreciation and amortisation	3 113	1 564	2 765	3 387	10 829
Capital expenditure	2 264	85	335	1 595	4 279
<b>31 August 2020</b>					
Revenue and net interest income	54 412	32 282	62 602	58 755	208 051
Operating (loss)/profit	(3 619)	14 416	18 439	17 179	46 415
(Loss)/profit for the period	(2 846)	12 355	14 235	10 908	34 652
Total assets	458 425	106 738	239 595	131 899	936 657
Total liabilities	268 030	51 843	145 059	101 168	566 100
Depreciation and amortisation	3 553	1 743	3 699	4 836	13 831
Capital expenditure	242	171	234	2 247	2 894



# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 August 2021 have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants' ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements, the information as required by IAS 34: Interim Financial Reporting, and the Companies Act of South Africa (Act No. 71 of 2008).

The accounting policies applied in preparation of these interim financial statements are consistent with those applied in the annual financial statements for the year ended 28 February 2021.

This report was prepared under the supervision of the Group Financial Director, RM Herselman, CA(SA) and has not been reviewed or audited by the Group's external auditors.

	Unaudited		Audited
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>2. REVENUE</b>			
<b>Gross Billings</b>	<b>2 926 165</b>	2 094 170	4 463 487
Less: recoverable disbursements	(2 644 629)	(1 882 359)	(4 021 293)
<b>Revenue and net interest income</b>	<b>281 536</b>	211 811	442 194
<i>Revenue from the provision of services comprises:</i>	<b>278 033</b>	207 112	434 612
Logistic services	273 749	203 352	427 436
Insurance commission and management fees	4 284	3 760	7 176
<i>Net interest income from the provision of credit facilities comprises:</i>	<b>3 503</b>	4 699	7 582
Interest and financing fee income	8 903	11 811	21 135
Interest and financing fee expenses	(5 400)	(7 112)	(13 553)
<b>Revenue and net interest income</b>	<b>281 536</b>	211 811	442 194

# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021 (continued)

		Unaudited		Audited
		31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>3. EARNINGS PER SHARE</b>				
Basic earnings per share	(cents)	48,21	21,77	46,51
Headline earnings per share	(cents)	48,14	21,81	47,08
Diluted basic earnings per share	(cents)	47,19	21,37	45,92
Diluted headline earnings per share	(cents)	47,12	21,42	46,49
<b>Reconciliation between basic and headline earnings per share:</b>				
Basic earnings		67 541	33 474	69 680
<i>Adjusted for:</i>				
Net (profit)/loss on disposals of plant and equipment		(132)	100	105
Impairment loss on intangible assets		-	-	781
Tax effects		37	(27)	(30)
<b>Headline earnings</b>		<b>67 446</b>	<b>33 547</b>	<b>70 536</b>

The difference between basic earnings per share and diluted earnings per share is due to the impact of share options that are unexercised or yet to vest.

		Shares	Shares	Shares
		31 August 2021	31 August 2020	28 February 2021
<b>Numbers of shares used in the calculations:</b>				
Shares in issue at period end	(000s)	140 903	161 361	161 481
Weighted average number of shares ("WANOS") *	(000s)	140 103	153 782	149 826
Diluted WANOS	(000s)	143 129	156 637	151 739
<b>Reconciliation of WANOS to Diluted WANOS:</b>				
WANOS *	(000s)	140 103	153 782	149 826
Effect of unexercised Share Options	(000s)	3 026	2 855	1 913
Diluted WANOS	(000s)	143 129	156 637	151 739

\* The Group held 2 671 027 (2020: 20 608 070) treasury shares which have been excluded from the WANOS calculations.

# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021 (continued)

	Unaudited		Audited
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>4. INTANGIBLE ASSETS</b>			
<b>Goodwill movement:</b>			
Carrying value at beginning of period	294 941	282 601	282 601
Foreign exchange gain on translation	(11 988)	29 694	12 340
Carrying value at end of period	282 953	312 295	294 941
Carrying value of computer software and indefinite useful life intangible assets	17 682	17 913	17 236
<b>Total intangible assets</b>	<b>300 635</b>	<b>330 208</b>	<b>312 177</b>

	Level	Notes	Unaudited		Audited
			31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>5. FAIR VALUE DISCLOSURE FOR FINANCIAL INSTRUMENTS</b>					
<b>Financial assets at fair value through profit or loss</b>					
Future profit share on rental agreement	2	1	3 502	3 502	3 502
Guardrisk cell captive	2	2	4 526	6 378	4 056
Forward exchange contracts	2		-	-	448
			<b>8 028</b>	<b>9 880</b>	<b>8 006</b>
<b>Financial liabilities at fair value through profit or loss</b>					
Contingent consideration	3	3	18 304	38 327	20 064
Forward exchange contracts	2		851	-	275
			<b>19 155</b>	<b>38 327</b>	<b>20 339</b>

# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021 (continued)

## Hierarchy for fair value measurement

### Fair value determination:

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 year.

<sup>1</sup>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:

Current net market rental (including parking bays) R130 per m<sup>2</sup>

Capitalisation rate (on a vacant basis) 10,75%

<sup>2</sup>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 at fair value through profit or loss. The fair value of the cell captive is determined as the net asset value, which is considered to represent fair value.

<sup>3</sup>This represents the fair value of the remaining contingent purchase obligations arising from acquisitions during the current and prior reporting periods. The fair value of the liabilities has been calculated as the net present value of the warranty payments, which management reasonably expects to be achieved, as set out in the agreements of sale, discounted at the weighted average cost of capital for the acquired entities.

### The financial liability is reconciled as follows:

	Unaudited		Audited	
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000	
<b>Financial liability at beginning of period</b>	<b>20 064</b>	36 300	36 300	
Contingent consideration recognised on acquisition of share in ASM Logistics (Thailand) Co. Ltd	-	411	411	
Fair value loss	373	1 046	1 753	
Fair value gain	(1 005)	-	-	
Foreign exchange (gain)/loss on translation	(1)	310	325	
Foreign exchange (gain)/loss on translation recognised in foreign currency translation reserve	(961)	4 371	1 673	
Settled during the period	(166)	(4 111)	(20 398)	
<b>Financial liability at end of period</b>	<b>18 304</b>	38 327	20 064	



# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021 (continued)

The remaining contingent purchase obligations relate to the following acquisitions:

Acquiring company	Target company	Unaudited		Audited
		31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
Santova International Holdings (Pty) Ltd	ASM Logistics (S) Pte Ltd	-	3 535	-
Tradeway (Shipping) Ltd	SAI Logistics Ltd	12 109	25 485	12 294
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmBH	5 951	8 896	7 359
Santova International Holdings (Pty) Ltd	ASM Logistics (Thailand) Co. Ltd	244	411	411

Management has assessed the sensitivity of the level 3 fair value measurement to changes in unobservable inputs and do not believe that reasonably expected changes therein would materially affect the fair value.

6. STATED CAPITAL	Unaudited		Audited
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>Reconciliation of the carrying amount of ordinary shares in issue</b>			
Balance at beginning of period	221 096	220 995	220 995
Exercise of share options	56	-	102
Share issue costs	(1)	-	(1)
Cancellation of treasury shares	(48 266)	-	-
<b>Balance at end of period</b>	<b>172 885</b>	<b>220 995</b>	<b>221 096</b>
<b>Reconciliation of the number of ordinary shares in issue</b>	<b>'000s</b>	<b>'000s</b>	<b>'000s</b>
Balance at beginning of period	140 872	154 432	154 432
Exercise of share options	30	-	120
Treasury shares acquired	(2 671)	(6 215)	(13 680)
<b>Balance at end of period</b>	<b>138 231</b>	<b>148 217</b>	<b>140 872</b>

# SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2021 (continued)

	Unaudited		Audited
	31 August 2021 R'000	31 August 2020 R'000	28 February 2021 R'000
<b>7. INTEREST-BEARING BORROWINGS</b>			
Medium-term loan (R60 million) <sup>1</sup>	-	7 646	-
Medium-term loan (R23,5million) <sup>2</sup>	16 243	20 561	18 436
Medium-term loan (SGD 150,000) <sup>3</sup>	103	782	420
Loan - FG Heuer (EUR 740,000) <sup>4</sup>	13 241	14 784	13 735
	<b>29 587</b>	<b>43 773</b>	<b>32 591</b>
Debt-to-equity ratio	<b>4,5%</b>	<b>6,9%</b>	<b>5,3%</b>

<sup>1</sup> The loan taken by the Company bears interest at a variable rate of the SA prime rate less 0,25%. The loan was fully repaid during the prior reporting period.

<sup>2</sup> The loan bears interest at a variable rate linked to the SA prime rate less 0,5%. The loan is repayable over six years.

<sup>3</sup> This loan was taken by ASM Logistics (S) Pte Ltd. It bears interest at a floating rate of 0,5% above the Singapore Bank's Business Instalment Loan board rate. It is repayable over a three year period that began in September 2019.

<sup>4</sup> This loan was taken out as part of the agreement regarding the purchase 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 is subsequently renewable on the agreement of both parties. The loan bears interest at a flat rate of 4%.

The first two loans have both been granted by Nedbank Limited, the Group's primary bankers. As a condition of granting the loans above, 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 have been breached.

\* EBITDA - Earnings before interest, tax, depreciation and amortisation

## 8. EVENTS AFTER THE REPORTING PERIOD

There are no events that have taken place after the reporting period for which non-disclosure would affect the ability of the users to make proper evaluations and decisions, except for the ongoing effects of the COVID-19 pandemic, the extent of which remains uncertain and cannot be predicted by the directors.

---

# 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 Supply Chain Solutions

### **DIRECTORS**

#### **Independent Non-Executive Directors**

WA Lombard (Chairman)

ESC Garner

EM Ngubo

#### **Executive Directors**

GH Gerber (Chief Executive Officer)

RM Herselman (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

### **INVESTOR RELATIONS**

#### **Contact Persons**

GH Gerber (Chief Executive Officer)

RM Herselman (Group Financial Director)

#### **Email Address**

investor@santova.com

#### **Contact Number**

+27 31 521 0160

### **SANTOVA HEAD OFFICE AND REGISTERED OFFICE**

#### **Physical Address**

Level 3 West, 1 Ncondo Place,  
Umhlanga Ridge, 4319, South Africa

#### **Postal Address**

PO Box 6148, Durban, 4000, South Africa

#### **Registered Office**

Santova House, 88 Mahatma Gandhi Road,  
Durban, 4001, South Africa

#### **Contact Number**

+27 31 521 0160

### **CORPORATE BANKERS**

Nedbank Limited

PO Box 1144, Sandown, 2196, South Africa



INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

**A Specialist Provider of Innovative  
Global Trade Solutions.**

**HEAD OFFICE**

Level 3 West, 1 Ncondo Place,  
Umhlanga Ridge, 4319, South Africa

**Tel:** +27 031 521 0160

**Email:** [enquiries@santova.com](mailto:enquiries@santova.com)

[www.santova.com](http://www.santova.com)