2020

PRELIMINARY AUDITED RESULTS

2020

FOR THE YEAR ENDED 29 FEBRUARY 2020

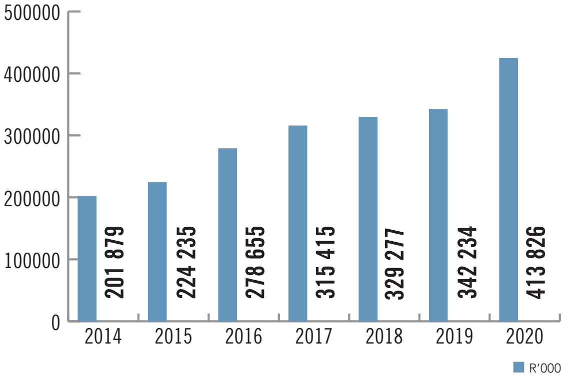
Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

SANTOVA PRELIMINARY AUDITED RESULTS

2020 GROUP HIGHLIGHTS

REVENUE AND NET INTEREST INCOME

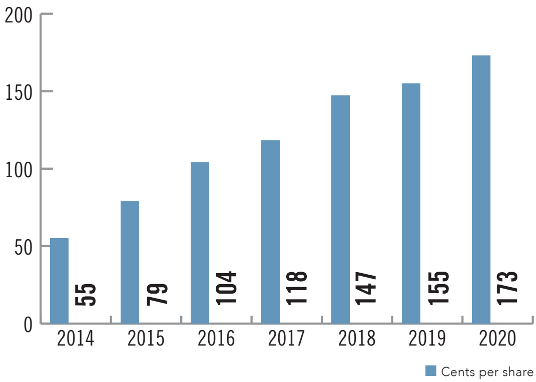


NET PROFIT INCREASED

6,4%

TO R64,9 MILLION

TANGIBLE NAV PER SHARE



TANGIBLE NAV INCREASED

11,5%

TO R1,73 PER SHARE

SANTOVA LIMITED 2020 PRELIMINARY RESULTS COMMENTARY

In this continuously challenging and complex operating environment, the Santova Group has exceeded expectations by delivering a strong set of results.

This resiliency is well portrayed by a 6,4% growth in net profit, which is a turnaround of 19,7% from the reported decline of 13,3% for the six months ended 31 August 2019. The last six months benefited significantly from the initiatives that were implemented during the first six-month period.

The financial year under review was not without its challenges. Increasing barriers to trade and associated uncertainty weighed on business sentiment and activity globally. With the current uncertainty in the economic environment, companies curtailed both expenditure and investment in global purchases of capital equipment and consumer demand for durable goods also weakened. As a result, the global economy grew a mere 2,4% in 2019, its weakest growth since the global financial crisis a decade ago.

GROUP PROFITABILITY

The Group's basic earnings per share and headline earnings per share both improved by 6,7% during the 2020 financial year from 38,21 cents per share to 40,77 cents, and from 38,21 cents per share to 40,78 cents, respectively.

Key highlights in the current year include:

- Organic growth generated from the United Kingdom ("UK") and Europe, whose combined contributions constituted a 21,6% increase in profit from the region's existing operations excluding acquisitions;
- Growth from acquisitions on a normalised basis collectively constituted R11,7 million, or 22,1% of the 2020 profit. The normalised profit adjusts for the contributions from the SAI Logistics (UK) and ASM Logistics (Singapore) acquisitions which were completed during the 2019 financial year, and the MLG Maritime Logistics ("Maritime") acquisition completed in 2020;
- The significant growth in offshore earnings increasing from 58,3% in 2019 to 79,5% in 2020, and the continued weakening of the Rand against major currencies in which the Group operates;
- Other income increased 63,3% from R11,4 million in 2019, to R18,6 million in 2020. This was due to the reclassification of insurance binder commissions from revenue to other income, increased foreign exchange gains, and rental income received from the sublease of administrative offices in Germany;
- The effective tax rate declined from 24,2% in 2019, to 21,1% in 2020, highlighting the impact of the Group's expansion into offshore regions with lower corporate income tax rates than South Africa ("SA"); and
- Consistent with the debtors' policy, the business has taken a prudent and cautious view to increase the provision for doubtful debt by R9,3 million in the current year.

  The following primary factors were applied in reviewing the provisions made:

  - Due to the recessionary environment in SA, certain accounts trading beyond their insured limit were provided for; and
  - A conservative view was taken with the unfolding COVID-19 pandemic, which may impact certain debtors included in the 2020 closing balances, but only becoming due after year-end.

SANTOVA LIMITED 2020 PRELIMINARY RESULTS COMMENTARY continued

REGIONAL PERFORMANCE

On a regional basis, the following key financial highlights relating to the material regions are noted:

- South African operations saw a deterioration in net profit of 43,7% from R26,8 million in 2019, to R15,1 million in 2020 due to subdued economic growth, lower consumer spending and lower levels of business confidence generally. The reduction in trade and shipment volumes resulted in a 5,6% decrease in revenue from 2019. Overheads increased marginally by 0,3% from 2019, with cost savings through a restructure in the latter half of the 2020 financial year offsetting inflationary increases;
- The UK delivered a total profit after tax increase of 116,0% from 2019, with the organic increase in profit from existing operations excluding acquisitions being 66,3%;
- The European unit continued its strong performance, with the Netherlands replacing some key accounts lost in 2019, growing revenue by 12,6%;
- The Asia Pacific ("AP") region achieved a moderate 2,3% growth in profit from the prior year with the underlying business units continuing to deliver small, yet consistent results;
- The acquisition of ASM Logistics (Singapore) in 2019, representing the South East Asia operations, has offered pleasing organic growth with net profit increasing by 129,8% in 2020 through both securing new clients, and the synergies achieved through Santova's global offices;
- Hong Kong was down in earnings from 2019 due its reliance on trade with SA, resulting in a decrease aligned to the impact seen in SA; and
- With the Australian economy stagnating in 2020, the business unit also experienced subdued performance.

FINANCIAL POSITION

The Group's Statement of Financial Position remains healthy, continuing its growth in Capital and Reserves. The overall financial position was primarily impacted by three factors during the year:

- The acquisition and consolidation of Maritime, which resulted in an increase across most major balance sheet values, resulting from the take on of 'at acquisition' balances, the debt and financial liabilities related to the financing of these transactions;
- The weakening of the South African Rand exchange rate at the reporting date against the Pound Sterling by 7,7% and the Euro by 8,1%, both of which caused significant currency translation gains and an increase across most balance sheet values; and
- The continued profitability of the Group, which saw total Capital and Reserves increase by 12,4% to R564,5 million and the total assets increase by 12,8% to R1,17 billion.

SANTOVA LIMITED 2020 PRELIMINARY RESULTS COMMENTARY continued

Consistent with the Group's non-asset based operating model, its core asset remains trade receivables which accounts for 49,7% of total Group assets. As a result, the credit management of trade receivables remains a core focus for the Group.

- The credit quality of the trade receivables book remains sound with debtors' days improving by 3,6 days to 48,9 days in 2020.

SHARE BUY BACK

Following the shareholders' approval at the last annual general meeting ("AGM"), the Group repurchased 5,931,830 of its own shares during the 2020 financial year at an average price of R2,08 per share. The Group will continue to be opportunistic and look to repurchase its own shares at the right price.

CASH ON HAND AND CASH FLOWS

The Group continues to generate positive cash flows with a net increase in cash and cash equivalents of R44,6 million, from R89,8 million in 2019, to R134,4 million in 2020.

Cash generated from operations increased by R85,4 million, from R47,8 million in 2019, to R133,2 million in 2020, with the following key movements in working capital noted:

- The R21,1 million payment of lease liability disclosed under financing activities in line with IFRS16 requirements, with the associated depreciation charge included in cash generated from operations;
- A R10,0 million inflow from the increase in trade and other payables; and
- A R10,0 million inflow from trade receivables, due primarily to the 3,6 day improvement in debtors' days from 2020.

Working capital in the Group remains highly sensitive to changes in trade receivables given the proportionately high value of debtors, specifically within the context of SA, which includes customs VAT and duties that are paid on behalf of clients. When a debtor settles early or late over the year-end close, this has a significant knock-on effect, which materially increases or decreases the reported cash generated.

COVID-19

The COVID-19 pandemic has severely affected global supply chains and is expected to impact, in varying degrees, each of the regions and the underlying businesses in which the Group operates. While it is too early to quantify the full extent to which the pandemic will impact the Group's profitability, the Board of Directors will endeavour to keep shareholders updated through trading statements as credible, material information becomes available.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 29 February 2020

	Notes	2020 R'000	2019 R'000
ASSETS			
Non-current assets		**398 359**	294 780
Property, plant and equipment		**28 573**	27 638
Right-of-use assets*	2	**51 684**	-
Intangible assets		**297 176**	253 344
Financial assets at fair value through profit and loss		**9 158**	7 574
Deferred tax		**11 768**	6 224
Current assets		**771 822**	742 197
Trade receivables		**581 421**	607 663
Other receivables		**55 522**	43 935
Current tax assets		**335**	735
Financial assets at fair value through profit and loss	6	**142**	63
Cash and cash equivalents		**134 402**	89 801
Total assets		**1 170 181**	1 036 977
EQUITY AND LIABILITIES			
Capital and reserves		**564 533**	502 257
Non-current liabilities		**67 195**	53 958
Interest-bearing borrowings		**17 170**	30 379
Employer benefit obligation		**1 096**	1 158
Financial liabilities	6	**16 390**	21 982
Lease liabilities*	2	**31 965**	-
Deferred tax		**574**	439
Current liabilities		**538 453**	480 762
Trade and other payables		**208 942**	187 850
Current tax liabilities		**6 290**	3 366
Interest-bearing borrowings		**34 081**	18 561
Amounts owing to related parties		**294**	261
Financial liabilities	6	**19 910**	13 200
Lease liabilities*	2	**22 269**	-
Overdraft and bank facilities		**218 103**	245 559
Employee benefit obligations		**28 564**	11 965
Total equity and liabilities		**1 170 181**	1 036 977

**The Group initially applied IFRS 16 at 1 March 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognised in retained earnings at the date of initial application.*

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2020

	Notes	2020 R'000	2019 R'000
GROSS BILLINGS		**4 341 750**	4 220 581
Revenue		**397 278**	324 130
Net interest income		**16 548**	18 104
Interest and financing fee income	7	**35 056**	35 280
Interest and financing fee expense	8	**(18 508)**	(17 176)
Revenue and net interest income	3	**413 826**	342 234
Other income		**18 649**	11 418
Depreciation and amortisation		**(24 154)**	(4 191)
Administrative expenses		**(316 084)**	(261 161)
Impairment loss on trade receivables		**(2 381)**	(2 156)
Operating profit		**89 856**	86 144
Finance income	7	**226**	202
Finance costs	8	**(7 666)**	(5 726)
Profit before tax		**82 416**	80 620
Income tax expense		**(17 424)**	(19 506)
Profit for the year		**64 992**	61 114
Attributable to:			
Owners of the Company		**65 022**	61 094
Non-controlling interest		**(30)**	20
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
- Exchange rate differences arising from translation of foreign operations		**22 275**	33 975
Items that will not be reclassified subsequently to loss or profit net of tax			
- Net actuarial loss on remeasurement of post-retirement medical aid benefit liability		**(53)**	(7)
Total comprehensive income net of tax		**87 214**	95 082
Attributable to:			
Owners of the Company		**87 235**	95 051
Non-controlling interests		**(21)**	31
Basic earnings per share (cents)	4	**40,77**	38,21
Headline earnings per share (cents)	4	**40,78**	38,21

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2020

	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 R'000	Non-controlling interest R'000	Total equity R'000
Balance at 28 February 2018	**219 514**	**(3 197)**	**6 246**	**36**	**(19 827)**	**213 344**	**416 116**	**56**	**416 172**
Total profit and loss	-	-	-	-	-	61 094	61 094	20	61 114
Profit for the year	-	-	-	-	33 957	(7)	33 950	11	33 961
Equity-settled share-based payment expense	-	-	1 475	-	-	-	1 475	-	1 475
Shares issued under share option scheme	1 490	-	(745)	-	-	-	745	-	745
Share issue costs	(8)	-	-	-	-	-	(8)	-	(8)
Dividends paid to shareholders	-	-	-	-	-	(11 202)	(11 202)	-	(11 202)
Balance at 28 February 2019	**220 996**	**(3 197)**	**6 976**	**36**	**14 130**	**263 229**	**502 170**	**87**	**502 257**
Effect of initial application of IFRS 16	-	-	-	-	-	(1 298)	(1 298)	-	(1 298)
Balance restated at 1 March 2019	**220 996**	**(3 197)**	**6 976**	**36**	**14 130**	**261 931**	**500 872**	**87**	**500 959**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**65 022**	**65 022**	**(30)**	**64 992**
Other comprehensive income	**-**	**-**	**-**	**-**	**22 266**	**(53)**	**22 213**	**9**	**22 222**
Acquisition of treasury shares	**-**	**(12 452)**	**-**	**-**	**-**	**-**	**(12 452)**	**-**	**(12 452)**
Equity-settled share-based payment expense	**-**	**-**	**765**	**-**	**-**	**-**	**765**	**-**	**765**
Share issue costs	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**-**	**(11 952)**	**(11 952)**	**-**	**(11 952)**
Balance at 29 February 2020	**220 995**	**(15 649)**	**7 741**	**36**	**36 396**	**314 948**	**564 467**	**66**	**564 533**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 29 February 2020

	2020 R'000	2019 R'000
OPERATING ACTIVITIES		
Cash generated from operations	**133 210**	47 755
Finance income	**226**	202
Finance costs	**(4 535)**	(5 726)
Tax paid	**(19 682)**	(22 021)
Net cash flows from operating activities	**109 219**	20 210
INVESTING ACTIVITIES		
Property, plant and equipment acquired	**(2 959)**	(3 637)
Intangible assets acquired and developed	**(5 497)**	(2 092)
Proceeds on disposals of plant and equipment and intangible assets	**83**	483
Proceeds from disposal of investment portfolio	**6 882**	-
Settlement of contingent consideration on business combination	**(14 001)**	(17 380)
Acquisition of subsidiary net of cash acquired	**(13 260)**	(23 889)
Net cash flows used in investing activities	**(28 752)**	(46 515)
FINANCING ACTIVITIES		
Proceeds from interest bearing borrowings	**12 745**	23 780
Repayment of interest bearing borrowings	**(10 636)**	(12 690)
Payment of lease liabilities	**(21 144)**	-
Issue of shares	**-**	737
Treasury shares acquired	**(12 452)**	-
Increase in amounts owing to related parties	**33**	41
Dividends paid	**(11 952)**	(11 202)
Net cash flows from financing activities	**(43 406)**	666
Net increase/(decrease) in cash and cash equivalents	**37 061**	(25 639)
Effect of movement in exchange rates on cash held	**7 540**	7 069
Cash and cash equivalents at beginning of year	**89 801**	108 371
Cash and cash equivalents at end of year	**134 402**	89 801

CONSOLIDATED SEGMENT ANALYSIS

for the year ended 29 February 2020

	Logistics Services R'000	Financial Services R'000	Head Office R'000	Group R'000
BUSINESS SEGMENTS				
29 February 2020				
Gross billings	**4 497 203**	**8 571**	**34 012**	**4 539 786**
External	**4 333 602**	**7 787**	**361**	**4 341 750**
Internal	**163 601**	**784**	**33 651**	**198 036**
Revenue and net interest income	**411 863**	**8 571**	**(6 608)**	**413 826**
Depreciation and amortisation	**(23 670)**	**(67)**	**(417)**	**(24 154)**
Operating profit	**84 269**	**4 420**	**1 167**	**89 856**
Interest received	**1 109**	**772**	**(1 655)**	**226**
Finance costs	**(2 096)**	**-**	**(5 570)**	**(7 666)**
Income tax expense	**(17 022)**	**(613)**	**211**	**(17 424)**
Profit for the year	**66 260**	**4 579**	**(5 847)**	**64 992**
Total assets	**1 045 276**	**19 363**	**105 542**	**1 170 181**
Total liabilities	**629 594**	**729**	**(24 675)**	**605 648**
28 February 2019				
Gross billings	4 360 960	9 931	31 614	4 402 505
External	4 211 106	9 125	350	4 220 581
Internal	149 854	806	31 264	181 924
Revenue after net interest income	333 108	9 931	(805)	342 234
Depreciation and amortisation	(3 730)	(71)	(390)	(4 191)
Operating profit	80 990	4 155	999	86 144
Interest received	383	790	(971)	202
Finance costs	(1 115)	(3)	(4 608)	(5 726)
Income tax expense	(18 004)	(720)	(782)	(19 506)
Profit for the year	62 254	4 222	(5 362)	61 114
Total assets	940 077	17 595	79 305	1 036 977
Total liabilities	559 594	850	(25 724)	534 720

CONSOLIDATED SEGMENT ANALYSIS continued

for the year ended 29 February 2020

	LOGISTICS SERVICES				
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	Total R'000
GEOGRAPHICAL SEGMENTS					
29 February 2020					
Gross billings	**2 383 897**	**334 286**	**928 214**	**687 205**	**4 333 602**
Revenue and net interest income	**139 934**	**47 918**	**121 148**	**102 863**	**411 863**
Operating profit	**21 353**	**13 842**	**25 928**	**23 146**	**84 269**
Net profit	**14 094**	**11 337**	**22 031**	**18 798**	**66 260**
Total assets	**518 886**	**94 506**	**260 851**	**171 033**	**1 045 276**
Total liabilities	**308 115**	**46 152**	**153 737**	**121 590**	**629 594**
28 February 2019					
Gross billings	2 509 488	255 344	791 517	654 757	4 211 106
Revenue and net interest income	141 445	35 460	82 016	74 187	333 108
Operating profit	35 741	13 287	12 851	19 111	80 990
Net profit	26 438	11 082	10 201	14 533	62 254
Total assets	533 605	73 437	239 853	93 182	940 077
Total liabilities	340 677	26 225	135 243	57 449	559 594

SUPPLEMENTARY INFORMATION

for the year ended 29 February 2020

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 International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, complies with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

The full consolidated annual 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 RM Herselman, CA (SA) and were approved by the Board of Directors on 18 May 2020.

2. ACCOUNTING POLICIES

The accounting policies applied in preparation of these financial statements are consistent with those applied in the financial statements for the year ended 28 February 2019, with the exception of new IFRS standards, which became effective as detailed below.

The Group has adopted all the new, revised or amended accounting pronouncements as issued by the International Accounting Standards Board ("IASB"), which were effective for the years beginning on or after 1 January 2019. The following standards were adopted by the Group:

IFRS 16 LEASES ("IFRS 16")

IFRS 16, adopted by the Group effective 1 March 2019, is a new standard replacing the previous IAS 17 Leases standard and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures ROU assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

Transition

The Group elected, as permitted by IFRS 16, not to restate comparative financial statements. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 March 2019.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 Leases:

- Applied the exemption not to recognise ROU assets and liabilities for leases with less than a 12-month lease term;
- Low-value assets. All leases that meet the criteria of a lease of a low-value asset are accounted for on a straight-line basis over the lease term; and
- Use a single discount rate for a portfolio of leases with reasonably similar characteristics.

Impacts on the financial statements on transition:

On transition to IFRS 16, the Group recognised the lease liabilities, at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at transition date, and the corresponding ROU assets were measured on a retrospective basis as if the new rules had always been applied.

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2020

The impact on transition is recognised below as at 1 March 2019

	R'000
Recognition of right-of-use assets	57 883
Recognition of lease liabilities	(59 181)
Adjustment to retained earnings due to initial application of IFRS 16 on 1 March 2019	**(1 298)**
Impact on profit and loss for the period	
Increase in depreciation	(19 211)
Increase in interest on lease liability	(3 131)
Decrease in operating lease expense	21 663
	(679)

3. REVENUE

	2020 R'000	2019 R'000
Gross billings	**4 341 750**	4 220 581
Less: recoverable disbursements	**(3 927 924)**	(3 878 347)
Revenue and net interest income	**413 826**	342 234
Revenue from contracts with customers		
Revenue from the provision of services comprises:	**397 278**	324 130
Logistics services	**389 491**	314 784
Insurance commission	**7 787**	9 126
Other revenue	**-**	220
Net interest income from the provision of credit facilities comprises:	**16 548**	18 104
Interest and financing fee income	**35 056**	35 280
Interest and financing fee expenses	**(18 508)**	(17 176)
Revenue and net interest income	**413 826**	342 234

4. EARNINGS PER SHARE AND DIVIDEND PER SHARE

		Actual 2020	Actual 2019
Basic earnings per share	(cents)	**40,77**	38,21
Headline earnings per share	(cents)	**40,78**	38,21
Diluted basic earnings per share	(cents)	**40,31**	37,39
Diluted headline earnings per share	(cents)	**40,32**	37,39
Dividend per share	(cents)	**-**	7,50

Reconciliation between basic and headline earnings	Profit on ordinary activities R'000	Taxation effect R'000	Minority interest R'000	Net effect R'000
February 2020				
Profit for the year	**82 416**	**(17 424)**	**30**	**65 022**
Adjusted for:				
– Loss on disposals of plant and equipment	**19**	**(6)**	**-**	**13**
Headline earnings	**82 435**	**(17 430)**	**30**	**65 035**
February 2019				
Basic earnings	80 620	(19 506)	(20)	61 094
Adjusted for:				-
– Gain on disposals of plant and equipment	(5)	1	-	(4)
Headline earnings	80 615	(19 505)	(20)	61 090

Numbers of shares used in the calculations:	2020 Shares 000's	2019 Shares 000's
Shares in issue at end of year	**161 361**	161 361
Weighted Average Number of Ordinary Shares ("WANOS") at end of year*	**159 471**	159 877
Diluted WANOS at end of year	**161 314**	163 394
Reconciliation of WANOS to Diluted WANOS:		
Weighted Average Number of Ordinary Shares ("WANOS") at end of year*	**159 471**	159 877
Effect of unexercised Share Options	**1 843**	3 517
Diluted WANOS at end of year	**161 314**	163 394

** The Group holds 6,928,556 (2019: 996 726) treasury shares via a subsidiary which have been excluded from the Weighted Average Number of Ordinary Shares ("WANOS") calculations.*

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2020

5. INTANGIBLE ASSETS

	2020 R'000	2019 R'000
Goodwill movement		
Carrying value at beginning of year	**243 761**	173 449
Amounts recognised from acquisitions of subsidiaries[1]	**22 766**	52 117
Effects of exchange differences	**16 074**	18 195
Carrying amount at end of year	**282 601**	243 761
Carrying value of computer software and indefinite useful life intangible assets	**14 575**	9 583
Total intangible assets	**297 176**	253 344

[1] **Acquisition of subsidiary**

During the financial year, the Group acquired a subsidiary in order to further expand its global footprint. The purchase price, net assets acquired and goodwill recognised as a result of this transaction is set out in the table below:

Acquiree	Net assets acquired R'000	Goodwill R'000	Total purchase consideration R'000
Santova B.V. (Netherlands)	**5 645**	**22 766**	**28 411**

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2020

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Level	2020 R'000	2019 R'000
Financial assets at fair value through profit or loss			
Non-current			
Future profit share on rental agreement[1]	2	**3 502**	3 502
Guardrisk cell captive[2]	2	**5 656**	4 072
		9 158	7 574
Current			
Forward exchange contracts	1	**142**	63
		142	63
Financial liabilities at fair value through profit or loss			
Non-current			
Contingent considerations[3]	3	**(16 390)**	(21 982)
Current			
Contingent considerations[3]	3	**(19 910)**	(13 200)
		(36 300)	(35 182)

6. FAIR VALUE DISCLOSURE FOR FINANCIAL INSTRUMENTS 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 (South Africa) 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^2
Capitalisation rate (on a vacant basis)	10,75 %

[2] *This represents the fair value of the investment by Santova Logistics (Pty) Ltd (South Africa) 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 by the net asset value which is considered to represent fair value.*

[3] *This represents the fair value of the remaining contingent purchase obligations arising from acquisitions during the current financial period. The fair value of the liabilities has been calculated as the net present value of the warranty payments, which management reasonably expect 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 can be reconciled as follows:*

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2020

	2020 R'000	2019 R'000
Balance at beginning of year	**35 182**	17 287
Contingent consideration recognised on acquisition of MLG Maritime Cargo Logistics GmbH	**9 773**	-
Contingent consideration recognised on acquisition of ASM Logistics (S) Pte Ltd	**-**	5 015
Contingent consideration recognised on acquisition of SAI Logistics Ltd	**-**	28 638
Fair value loss	**2 483**	967
Fair value gain	**(294)**	-
Foreign exchange loss on translation	**401**	323
Foreign exchange loss on translation recognised in foreign currency translation reserve	**2 756**	239
Settled during the period	**(14 001)**	(17 287)
Balance at end of year	**36 300**	35 182

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

Acquiring company	Target company	Remaining contingent purchase consideration R'000
Santova International Holdings (Pty) Ltd	ASM Logistics (S) Pte Ltd	3 122
Tradeway (Shipping) Ltd	SAI Logistics Ltd	22 116
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmbH	11 062

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

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2020

7. FINANCE INCOME

	2020 R'000	2019 R'000
Finance income from third parties included in profit and loss	**226**	202
Interest and financing fee income included in revenue	**35 056**	35 280
Total finance income	**35 282**	35 482

8. FINANCE COSTS

	2020 R'000	2019 R'000
Interest on lease liabilities	**3 131**	-
Interest-bearing borrowings	**4 419**	4 650
Other interest paid	**116**	1 076
Included in profit and loss	**7 666**	5 726
Interest and financing fee costs included in revenue	**18 508**	17 176
Total finance costs	**26 174**	22 902

9. EVENTS AFTER THE REPORTING PERIOD

The COVID-19 pandemic has severely affected global supply chains and is expected to impact, in varying degrees, each of the regions and the underlying businesses in which the Group operates. While it is too early to quantify the full extent to which the pandemic will impact the Group's profitability, the Board of Directors will endeavour to keep shareholders updated through trading statements when credible, material information becomes available.

10. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements ("AFS") were approved by the Board of Directors on 18 May 2020.

11. AUDIT OPINION

These summarised consolidated financial statements for the year ended 29 February 2020 have been audited by Moore Johannesburg Inc, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 29 February 2020 from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and the auditor's report on the full consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports. Moore Johannesburg Inc has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly do not express 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 that in order to obtain a full understanding of the nature of the auditor's engagement, they should 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 resolved that given the ongoing uncertainty in the global economy as a result of COVID-19 that the Group's resources are best conserved at this time and therefore no dividend has been declared for the 2020 financial year.

By order of the Board

J Lupton

Company Secretary

18 May 2020

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 logistics solutions provider

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, FCIS
Highway Corporate Services (Pty) Ltd
PO Box 1319, Hillcrest, 3650

JSE SPONSOR
River Group
Unit 2, 211 Kloof Street, Waterkloof, Pretoria 0145

GROUP AUDITOR
Moore Johannesburg Inc.
50 Oxford Road, Parktown, Johannesburg, 2193

SHARE REGISTRAR
Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown, 2107

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
Head Office
53 Richefond Circle, Umhlanga Ridge, 4319

Postal Address
PO Box 6148, Durban, 4000

Registered Office
Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Contact Number
+27 31 521 0160

CORPORATE BANKERS
Nedbank Limited
PO Box 1144, Sandown, 2196

Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

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.

Santova House
88 Mahatma Gandhi Road
Durban, 4001

Tel: +27 31 521 0160
Email: enquiries@santova.com
www.santova.com