



PRELIMINARY AUDITED RESULTS
FOR THE YEAR ENDED 28 FEBRUARY 2022



Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

SANTOVA PRELIMINARY AUDITED RESULTS 2022 GROUP HIGHLIGHTS

KEY HIGHLIGHTS

NET PROFIT INCREASED

144,0%

TO R170,1 MILLION

HEPS INCREASED

169,4%

TO 126,81 CPS

NAV INCREASED

27,3%

TO R5,59 PER SHARE

DEBT TO EQUITY IMPROVED
FROM 14,0% TO

6,3%

CAPITAL AND RESERVES
INCREASED

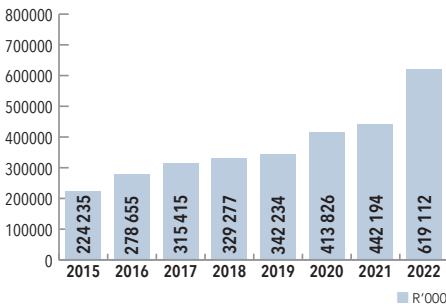
23,7%

TO R765,8 MILLION

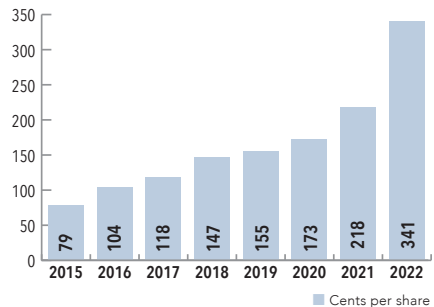
OPERATING MARGINS
IMPROVED BY 14,9% TO

36,9%

REVENUE AND NET
INTEREST INCOME



TANGIBLE NAV
PER SHARE



SANTOVA LIMITED 2022 PRELIMINARY RESULTS COMMENTARY

The Santova Group has continued to generate solid earnings through to the end of February 2022.

Whilst 2020 was a turbulent introduction to a new decade, 2021 witnessed the prolonged impact of the pandemic. This resulted in a year of relentless global trade disruptions and supply chain dysfunction and the world continues to navigate the ongoing issues arising as a result of the pandemic.

Despite these issues, for the financial year ending 28 February 2022 ("year"), the Group managed to generate 40,0% growth in revenue, from R442,2 million to R619,1 million, whilst after tax earnings for the year increased by 144,0%, from R69,7 million to R170,1 million. What is important to acknowledge is that the growth in after tax earnings was throughout all regions. In Africa ("AF") alone, year-on-year ("YOY") earnings after tax grew by 445,5% whilst Europe ("EU") grew by 221,5%, the United Kingdom ("UK") by 69,8%, and the Asia Pacific ("AP") region by 49,8%.

These results were not only off the back of surging shipping rates, as the cost to move goods globally soared on higher demand and shrinking capacity, but through the Group remaining vigilant in its strategic decision-making, direction, and operational activity. The Group's innovative and energetic entrepreneurial culture led to 'correct decisions' that generated lucrative returns from contextually appropriate strategies.

It is also important to highlight that the performance of the Group during the current year has been organic. This has been the outcome of Santova not only leveraging off industry trends, but also through integrating, automating, and scaling operations, such as internal workflow processes, systems, and effective ongoing global support.

The 'take-on' of a considerable number of new clients, particularly in South Africa ("SA"), the Netherlands and the UK, resulted in strong inflows of new revenues. This growth in new revenue, together with our continued ability to source favourable buy rates and capacity as well as heightened levels of operational efficiency, has collectively generated quality headline earnings. This is well depicted by the high operating margins (36,9%) of the Group.

The Group's signature protocol holds it in good stead. Whilst most businesses retreat, consolidate, conserve cash, and become internally focused during challenging periods, the Santova Group focused on preserving the core, 'sweating' the assets, breaking new ground and generating new opportunities – the latter of which are in abundance in turbulent or disrupted global economies. However, this is always accompanied by heightened risk awareness and calculated, strategic decision-making and execution. Technological advancements, changes in consumer behaviour and the way in which businesses now operate, represent and necessitate a significant paradigm shift and innovative leadership at all levels.

SANTOVA LIMITED 2022 PRELIMINARY RESULTS COMMENTARY

continued

GROUP PROFITABILITY

Key financial highlights for the 2022 financial year include:

- ▣ Consolidated net profit after tax ("NPAT") for the year increased by 144,0% to R170,1 million (2021: R69,7 million);
- ▣ Headline earnings per share ("HEPS") increased by 169,4% to 126,81 cents per share ("CPS") (2021: 47,08 CPS); and
- ▣ Net asset value ("NAV") per share increased by 27,3% to R5,59 (2021: R4,39) due not only to the growth in earnings, but also through the Group continuing to acquire its own shares, thereby reducing the effective number of shares in issue.

Other notable movements during the reporting period include:

- ▣ With the substantial growth in revenue, the Group's continued focus on technology and the automation of manual processes has allowed scalability, with operating margins as a percentage of revenue improving by 14,9% to 36,9% (2021: 22,0%);
- ▣ The Group continued to buy back its own shares, having purchased 4,0 million shares from the open market at an average price of 380 CPS, reduced the Weighted Average Number of Ordinary Shares ("WANOS") in issue to 138,7 million (2021: 149,8 million), with the reduction contributing 19,9% to the overall 169,4% increase in HEPS;
- ▣ The average strengthening of the Rand ("ZAR") against all foreign currencies in those regions in which the Group operates, namely the Great British Pound ("GBP") by 4,5%, the Euro ("EUR") by 9,1%, the Hong Kong Dollar ("HKD") by 10,3% and the Australian Dollar ("AUD") by 5,1%; and
- ▣ The proportionate percentage of offshore earnings reduced to 82,6% (2021: 91,0%), in part due to the strengthening ZAR and the strong recovery by the SA operations.

SANTOVA LIMITED 2022 PRELIMINARY RESULTS COMMENTARY

continued

REGIONAL PERFORMANCE

AFRICA (AF)

Africa NPAT, represented predominantly by SA, increased by 445,5% to R35,6 million (2021: R6,5 million), due to the following primary reasons:

- With the general recovery of the SA economy, the business has been successful in servicing the increased trading activity of its clients by securing scarce capacity on vessels and airlines at highly competitive rates. A record number of new, quality clients were also secured in the current year;
- A restructure of the SA business unit was undertaken in 2021, the benefit of which has been fully realised in the current year, with operating margins improving from 7,8% in 2021, to 30,7% in 2022; and
- Mauritius, which remains a small component of the Africa segment, was subjected to a severe and prolonged lockdown in 2020 with a gradual return to normality taking place in the current year. The region returned a profit of R243,5 thousand after sustaining a R1,1 million loss in 2021.

EUROPE (EU)

The EU region, comprising the Netherlands and Germany, increased NPAT by 221,5% to R73,1 million (2021: R22,8 million), as a result of the following primary reasons:

- The Netherlands has continued to capitalise on the significant trade volumes flowing through the region, which is a strategic entry point into the Eurozone, with revenue increasing by 68,4% to R150,8 million (2021: R89,6 million);
- Germany increased revenue from R36,1 million in 2021 to R38,6 million in 2022, with the increase primarily through the acquisition of a fixed contract to facilitate the importation of COVID-19 related supplies; and
- The partial restructuring of the MLG Maritime Cargo Logistics GmbH business was undertaken in the current year, with the closure of its warehousing operation to better align with the Group's non-asset based strategy.

UNITED KINGDOM (UK)

The UK continued to benefit from its diversified service offerings, increasing NPAT by 69,8% to R38,2 million (2021: R22,5 million), due to the below key factors:

- WM Shipping (trading as Santova Logistics), which has transitioned into a comprehensive fourth-party logistics ("4PL") business, continued to add a significant number of quality import and export clients to its client base;
- Tradeway (Shipping) ("Tradeway"), which specialises in the export of scrap products and second-hand garments to the Middle East and Africa, returned to full capacity after being hampered in the prior year by lockdown related port restrictions at both origin and destination terminals; and
- SAI Logistics achieved the last of its three-year post-acquisition warranty targets in the current year, and has continued its steady performance, benefitting from its positioning to accommodate e-commerce clientele through its facility in Milton Keynes.

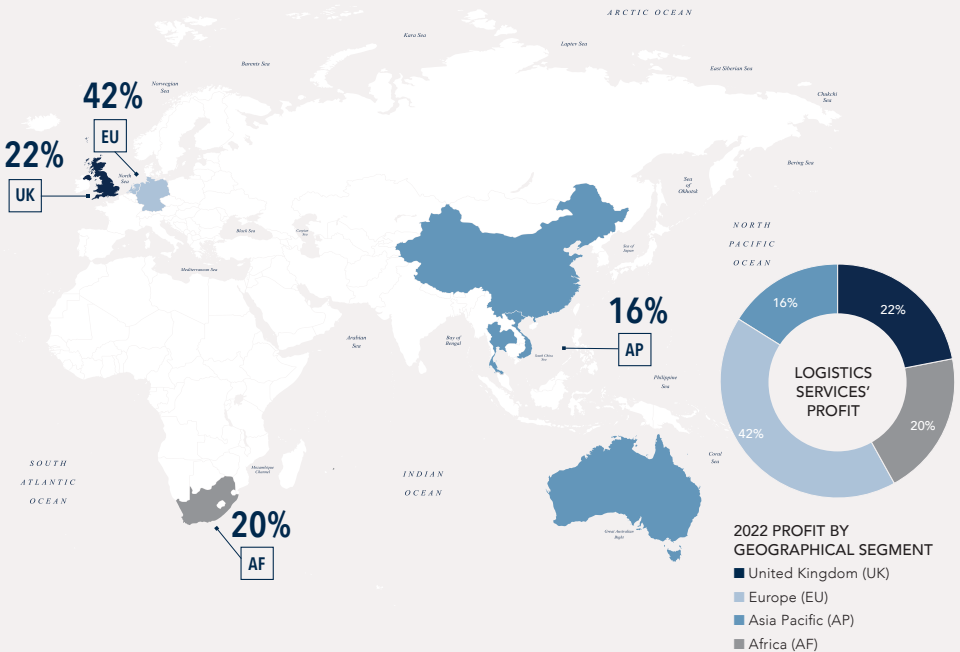
SANTOVA LIMITED 2022 PRELIMINARY RESULTS COMMENTARY

continued

ASIA PACIFIC (AP)

The AP region, comprising Hong Kong, Singapore, and Australia, validated its strategic positioning with the surging global trade from Asia helping to boost the region's NPAT by 49,8% to R29,0 million (2021: R19,3 million), noting the following points below:

- Acting as a strategic hub for the Group, Hong Kong has been instrumental in the Group's ability to negotiate rates and secure capacity for global clients importing from China, thereby recording 70,1% YOY growth;
- Singapore, which grew revenue by 9,0%, experienced generally lower levels of trade during the first half of the year, however due to the easing of other Asian regions' lockdown restrictions and return to normal operations activity levels are improving; and
- Australia increased revenue by 12,2% primarily due to increased trade emanating from the region's existing client base, with NPAT increasing by 25,2% through its lean operational structure.



SANTOVA LIMITED 2022 PRELIMINARY RESULTS COMMENTARY

continued

FINANCIAL POSITION

The Group's statement of financial position remains solid due to a continued 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 reduced by R14,1 million to R298,1 million (2021: R312,2 million), primarily due to the redeployment of Santova's proprietary supply chain management software (TradeNav) in a cloud-native progress web application ("PWA") format and the subsequent impairment of the legacy TradeNav system (R7,9 million). The strengthening ZAR further resulted in the revaluation and reduction of foreign subsidiary goodwill balances (R5,9 million);
- Trade receivables increased by R141,4 million or 23,9% to R733,2 million driven by the overall increase in the Group's revenue, with debtor days reducing from 48,4 days in 2021, to 41,7 days in 2022 as a result of continued focus on credit risk management;
- Trade payables increased by R71,4 million or 27,6% in accordance with the increase in cost of billings, however while the market has seen significant pressure to reduce credit terms, suppliers have been actively managed with creditor days reducing from 30,3 days in 2021, to 27,7 days in 2022; and
- Financial liabilities decreased by R18,2 million to R2,1 million resulting primarily from the settlement of contingent consideration (warranty payments) owing to the sellers of SAI Logistics Ltd, MLG Maritime Cargo Logistics GmbH and ASM Logistics (Thailand) Co. Ltd.

CASH ON HAND AND CASH FLOWS

Cash flows remained robust with cash and cash equivalents increasing by R80,8 million to R270,8 million (2021: R190,0 million). Cash generated from operations reduced by 7,0% to R163,7 million (2021: R176,0 million) due to the reinvestment of working capital into new clients, and the abnormal and rapid escalation in freight rates.

Notable cash related items include:

- A R30,0 million medium term loan was advanced to the Group relating to potential acquisition opportunities, including the settlement of certain warranty payments as they became due;
- Foreign currencies accounted for 95,1% (2021: 92,7%) of total cash and cash equivalents with offshore funds being retained in the source currency given the strength of the ZAR; and
- R15,2 million in cash was utilised to repurchase 4,0 million of the Group's own shares from the open market, with no dividend being declared in the current year as the Group continued to focus on its value-per-share strategy by reinvesting surplus cash in buying back its own shares.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2022

| | Notes | Audited 2022 R'000 | Audited 2021 R'000 |
|--|-------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | 383 466 | 403 015 |
| Property, plant and equipment | | 25 766 | 27 752 |
| Right-of-use ("ROU") assets | | 36 330 | 39 989 |
| Intangible assets | 5 | 298 052 | 312 177 |
| Investment in associate | | 1 592 | 1 342 |
| Financial assets at fair value through profit or loss | 6 | 6 571 | 7 558 |
| Deferred tax assets | | 15 155 | 14 197 |
| Current assets | | 1 255 298 | 915 760 |
| Trade and other receivables | | 981 988 | 725 102 |
| Current tax receivable | | 724 | 179 |
| Financial assets at fair value through profit or loss | 6 | 1 781 | 448 |
| Cash and cash equivalents | | 270 805 | 190 031 |
| Total assets | | 1 638 764 | 1 318 775 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | 765 847 | 619 040 |
| Stated capital | | 163 998 | 221 096 |
| Treasury shares | | (5 699) | (48 095) |
| Equity-settled share-based payment reserve | | 8 764 | 8 607 |
| Revaluation reserve | | 36 | 36 |
| Foreign currency translation reserve | | 43 804 | 52 684 |
| Retained earnings | | 554 804 | 384 613 |
| Attributable to equity holders of the Company | | 765 707 | 618 941 |
| Non-controlling interest | | 140 | 99 |
| Non-current liabilities | | 47 636 | 43 350 |
| Interest-bearing borrowings | | 22 380 | 12 810 |
| Employee benefit obligations | | 758 | 984 |
| Financial liabilities at fair value through profit or loss | 6 | - | 857 |
| Lease liabilities | | 24 487 | 27 966 |
| Deferred tax liabilities | | 11 | 733 |
| Current liabilities | | 825 281 | 656 385 |
| Trade and other payables | | 518 492 | 391 354 |
| Current tax liabilities | | 21 171 | 9 447 |
| Interest-bearing borrowings | | 31 811 | 19 781 |
| Amounts owing to related parties | | 288 | 285 |
| Financial liabilities at fair value through profit or loss | 6 | 2 078 | 19 482 |
| Lease liabilities | | 14 204 | 14 512 |
| Provisions | 7 | 11 334 | - |
| Overdrafts and bank facilities | | 225 903 | 201 524 |
| Total equity and liabilities | | 1 638 764 | 1 318 775 |

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2022

| | Notes | Audited 2022 R'000 | Audited 2021 R'000 |
|--|-------|--------------------------|--------------------------|
| GROSS BILLINGS | | 6 418 867 | 4 463 487 |
| Revenue | | 611 022 | 434 612 |
| Net interest income | | 8 090 | 7 582 |
| Interest and financing fee income | 8 | 21 987 | 21 135 |
| Interest and financing fee expense | 9 | (13 897) | (13 553) |
| Revenue and net interest income | 3 | 619 112 | 442 194 |
| Other income | | 26 158 | 21 385 |
| Depreciation, amortisation and impairment loss on non-financial assets | | (29 181) | (27 124) |
| Administrative expenses | | (381 427) | (333 057) |
| Impairment loss on trade receivables | | (6 216) | (6 182) |
| Operating profit | | 228 446 | 97 216 |
| Finance income | 8 | 28 | 110 |
| Finance costs | 9 | (4 268) | (5 520) |
| Profit before share of associate's profit | | 224 206 | 91 806 |
| Share of profit of associate, net of tax | | 250 | 96 |
| Profit before tax | | 224 456 | 91 902 |
| Income tax expense | | (54 326) | (22 184) |
| Profit for the year | | 170 130 | 69 718 |
| 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 | | (8 877) | 16 299 |
| Items that will not be reclassified subsequently to profit or loss | | | |
| - Remeasurements of post-retirement medical aid benefit liability | | 99 | (15) |
| Other comprehensive (loss)/income for the year | | (8 778) | 16 284 |
| Total comprehensive income for the year | | 161 352 | 86 002 |
| <i>Profit for the year attributable to:</i> | | | |
| Owners of the Company | | 170 092 | 69 680 |
| Non-controlling interest | | 38 | 38 |
| | | 170 130 | 69 718 |
| <i>Total comprehensive income for the year attributable to:</i> | | | |
| Owners of the Company | | 161 311 | 85 969 |
| Non-controlling interest | | 41 | 33 |
| | | 161 352 | 86 002 |
| Basic earnings per share (cents) | 4 | 122,60 | 46,51 |
| Diluted earnings per share (cents) | 4 | 119,56 | 45,92 |

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

| | 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 interest R'000 | Total equity R'000 |
|--|-------------------------|--------------------------|---|------------------------------|---|----------------------------|---|-----------------------------------|-----------------------|
| Balance at 29 Feb 2020 | 220 995 | (15 649) | 7 741 | 36 | 36 396 | 314 948 | 564 467 | 66 | 564 533 |
| Profit for the year | - | - | - | - | - | 69 680 | 69 680 | 38 | 69 718 |
| Other comprehensive income | - | - | - | - | 16 288 | (15) | 16 273 | (5) | 16 268 |
| Treasury shares acquired | - | (32 446) | - | - | - | - | (32 446) | - | (32 446) |
| Equity-settled share-based payment expense | - | - | 917 | - | - | - | 917 | - | 917 |
| Shares issued under share option scheme | 102 | - | (51) | - | - | - | 51 | - | 51 |
| Share issue costs | (1) | - | - | - | - | - | (1) | - | (1) |
| Balance at 28 Feb 2021 | 221 096 | (48 095) | 8 607 | 36 | 52 684 | 384 613 | 618 941 | 99 | 619 040 |
| 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 CASH FLOWS

for the year ended 28 February 2022

| | Notes | Audited 2022 R'000 | Audited 2021 R'000 |
|--|-------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 10.1 | 163 693 | 175 985 |
| Finance income | | 28 | 110 |
| Finance costs | | (4 257) | (5 244) |
| Tax paid | 10.2 | (44 827) | (21 141) |
| Net cash from operating activities | | 114 637 | 149 710 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of plant and equipment | | (2 508) | (1 939) |
| Acquisition and development of intangible assets | | (3 641) | (4 459) |
| Proceeds on disposals of plant and equipment | | 350 | 72 |
| Settlement of contingent consideration | | (18 294) | (20 398) |
| Acquisition of interest in associate | 10.3 | - | (835) |
| Net cash used in investing activities | | (24 093) | (27 559) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from interest-bearing borrowings | | 30 000 | - |
| Repayment of interest-bearing borrowings | | (7 662) | (19 694) |
| Payment of lease liabilities | | (14 431) | (21 491) |
| Proceeds from issue of share capital | | 325 | 50 |
| Treasury shares acquired | | (15 194) | (32 446) |
| Proceeds from related party loans | | 3 | - |
| Repayment of related party loans | | - | (9) |
| Net cash used in financing activities | | (6 959) | (73 590) |
| Net increase in cash and cash equivalents | | 83 585 | 48 561 |
| Effect of movements in exchange rates on cash held | | (2 800) | 7 057 |
| Cash and cash equivalents at beginning of year | | 190 020 | 134 402 |
| Cash and cash equivalents at end of year* | | 270 805 | 190 020 |

* Cash and cash equivalents includes bank overdrafts included in overdrafts and bank facilities of R- (2021: R11k).

CONSOLIDATED SEGMENT ANALYSIS

for the year ended 28 February 2022

| REPORTABLE SEGMENTS | Logistics Services R'000 | Financial Services R'000 | Head Office R'000 | Group R'000 |
|--|--------------------------|--------------------------|-------------------|-------------|
| 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) |
| Operating profit/(loss) | 228 667 | 2 934 | (3 155) | 228 446 |
| Finance income | 3 061 | 35 | (3 068) | 28 |
| Finance costs | (2 461) | (72) | (1 735) | (4 268) |
| Share of profit of associate, net of tax | 250 | - | - | 250 |
| 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 |
| Total 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 |
| 2021 | | | | |
| Gross billings | 4 767 542 | 7 808 | 36 739 | 4 812 089 |
| External | 4 455 888 | 7 176 | 423 | 4 463 487 |
| Internal | 311 654 | 632 | 36 316 | 348 602 |
| Revenue and net interest income | 440 421 | 7 808 | (6 035) | 442 194 |
| Depreciation and amortisation | (26 655) | (58) | (411) | (27 124) |
| Impairment loss on intangible asset | (781) | - | - | (781) |
| Operating profit | 92 169 | 3 003 | 2 044 | 97 216 |
| Finance income | 1 624 | 121 | (1 635) | 110 |
| Finance costs | (2 487) | (176) | (2 857) | (5 520) |
| Share of profit of associate, net of tax | 96 | - | - | 96 |
| Income tax expense | (20 270) | (1 524) | (390) | (22 184) |
| Profit/(loss) for the year | 71 132 | 1 424 | (2 838) | 69 718 |
| Capital expenditure | 7 440 | 18 | 163 | 7 621 |
| Segment assets | 1 227 400 | 61 435 | 29 940 | 1 318 775 |
| Segment assets excluding investment in associate | 1 226 058 | 61 435 | 29 940 | 1 317 433 |
| Investment in associate | 1 342 | - | - | 1 342 |
| Segment liabilities | 760 603 | 31 993 | (92 861) | 699 735 |

CONSOLIDATED SEGMENT ANALYSIS continued

for the year ended 28 February 2022

| GEOGRAPHICAL INFORMATION | LOGISTICS SERVICES | | | | |
|---------------------------------|--------------------|-----------------------|----------------------------|-----------------|----------------|
| | Africa R'000 | Asia Pacific R'000 | United Kingdom R'000 | Europe R'000 | Total R'000 |
| 2022 | | | | | |
| Gross billings | 2 624 848 | 1 257 061 | 1 832 775 | 1 647 279 | 7 361 963 |
| Revenue and net interest income | 151 932 | 78 843 | 190 526 | 189 447 | 610 748 |
| Operating profit | 46 711 | 34 647 | 47 364 | 99 945 | 228 667 |
| Profit for the year | 35 560 | 28 968 | 38 233 | 73 127 | 175 888 |
| Segment assets | 561 909 | 142 502 | 389 533 | 268 880 | 1 362 824 |
| Segment liabilities | 317 432 | 132 264 | 233 759 | 130 495 | 813 950 |
| 2021 | | | | | |
| Gross billings | 1 936 614 | 566 654 | 1 134 173 | 818 447 | 4 455 888 |
| Revenue and net interest income | 120 776 | 62 046 | 131 936 | 125 663 | 440 421 |
| Operating profit | 9 463 | 23 424 | 27 328 | 31 954 | 92 169 |
| Profit for the year | 6 519 | 19 344 | 22 520 | 22 749 | 71 132 |
| Segment assets | 544 275 | 160 926 | 286 316 | 235 883 | 1 227 400 |
| Segment liabilities | 325 228 | 94 288 | 170 040 | 171 047 | 760 603 |



SUPPLEMENTARY INFORMATION

for the year ended 28 February 2022

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 No. 71 of 2008) ("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 RM Herselman, CA (SA) and were approved by the Board of Directors ("Board") on 16 May 2022.

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 2021.

| | Audited 2022 R'000 | Audited 2021 R'000 |
|---|--------------------------|--------------------------|
| 3. REVENUE | | |
| Gross billings | 6 418 867 | 4 463 487 |
| Less: recoverable disbursements | (5 799 755) | (4 021 293) |
| Revenue and net interest income | 619 112 | 442 194 |
| Revenue from contracts with clients | | |
| Revenue from the provision of services comprises: | 611 022 | 434 612 |
| Logistic services | 603 246 | 427 436 |
| Insurance commission and management fees | 7 764 | 7 176 |
| Other revenue ¹ | 12 | - |
| Net interest income from the provision of credit facilities comprises: | 8 090 | 7 582 |
| Interest and financing fee income | 21 987 | 21 135 |
| Interest and financing fee expenses | (13 897) | (13 553) |
| Revenue and net interest income | 619 112 | 442 194 |

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

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

4. EARNINGS PER SHARE

| | | Audited 2022 | Audited 2021 |
|--------------------------------------|---------|-----------------|-----------------|
| Basic earnings per share | (cents) | 122,60 | 46,51 |
| Headline earnings per share ("HEPS") | (cents) | 126,81 | 47,08 |
| Diluted earnings per share | (cents) | 119,56 | 45,92 |
| Diluted HEPS | (cents) | 123,66 | 46,49 |

| Reconciliation between basic and headline earnings: | Profit from ordinary activities R'000 | Taxation effect R'000 | Non-controlling interest R'000 | Net effect R'000 |
|---|--|--------------------------|-----------------------------------|---------------------|
| 2022 | | | | |
| Profit for the period/Basic earnings | 224 456 | (54 326) | (38) | 170 092 |
| <i>Adjusted for:</i> | | | | |
| - Profit on disposal of property, 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 |
| 2021 | | | | |
| Profit for the period/Basic earnings | 91 902 | (22 184) | (38) | 69 680 |
| <i>Adjusted for:</i> | | | | |
| - Loss on disposal of property, plant and equipment | 105 | (30) | - | 75 |
| - Impairment loss on intangible asset | 781 | - | - | 781 |
| Headline earnings | 92 788 | (22 214) | (38) | 70 536 |

| Numbers of shares used in the calculations: | 2022 Shares 000's | 2021 Shares 000's |
|--|-------------------------|-------------------------|
| Shares in issue at end of year | 138 420 | 161 481 |
| Weighted Average Number of Ordinary Shares ("WANOS") at end of year* | 138 737 | 149 826 |
| Diluted WANOS at end of year | 142 270 | 151 739 |

| Reconciliation of WANOS to Diluted WANOS: | 2022 | 2021 |
|---|---------|---------|
| WANOS at end of year* | 138 737 | 149 826 |
| Effect of unexercised share options | 3 533 | 1 913 |
| Diluted WANOS at end of year | 142 270 | 151 739 |

* The Group holds 1 329 736 (2021: 20 608 070) treasury shares through a subsidiary, which have been excluded from the WANOS calculations.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

5. INTANGIBLE ASSETS

| | Audited 2022 R'000 | Audited 2021 R'000 |
|---|--------------------------|--------------------------|
| Goodwill | | |
| Carrying amount at beginning of year | 294 941 | 282 600 |
| Effects of exchange differences | (5 863) | 12 341 |
| Carrying amount at end of year | 289 078 | 294 941 |
| Carrying amount of computer software and indefinite useful life intangible assets | 8 974 | 17 236 |
| Total intangible assets | 298 052 | 312 177 |

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

| | Level | Audited 2022 R'000 | Audited 2021 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 | 3 069 | 4 056 |
| | | 6 571 | 7 558 |
| Current | | | |
| Forward exchange contracts | 2 | 1 781 | 448 |
| | | 1 781 | 448 |
| Financial liabilities at fair value through profit or loss | | | |
| Non-current | | | |
| Contingent considerations ³ | 3 | - | (857) |
| | | - | (857) |
| Current | | | |
| Contingent considerations ³ | 3 | (558) | (19 207) |
| Forward exchange contracts | 2 | (1 520) | (275) |
| | | (2 078) | (19 482) |

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

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 ("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) | R144 per m ² |
| Capitalisation rate (on a vacant basis) | 10,75 % |

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 current reporting period. The Group drew dividends of R2 000 000 during the reporting period (2021: R3 000 000).

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 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:

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

| | Audited 2022 R'000 | Audited 2021 R'000 |
|--|--------------------------|--------------------------|
| Balance at beginning of year | 20 064 | 36 300 |
| Contingent consideration recognised on acquisition of ASM Logistics (Thailand) Co. Ltd | - | 411 |
| Interest on present value calculation | 443 | 1 753 |
| Fair value gain | (1 011) | - |
| Foreign exchange (gain)/loss on translation | (32) | 325 |
| Foreign exchange (gain)/loss on translation recognised in foreign currency translation reserve | (612) | 1 673 |
| Settled during the period | (18 294) | (20 398) |
| Balance at end of year | 558 | 20 064 |

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

| Acquiring company | Target company | Remaining contingent purchase consideration R'000 |
|--|-----------------------------------|--|
| Santova International Holdings (Pty) Ltd | ASM Logistics (Thailand) Co. Ltd | 213 |
| Santova Logistics B.V. | MLG Maritime Cargo Logistics GmbH | 345 |

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.

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

7. PROVISIONS

| | Audited 2022 R'000 | Audited 2021 R'000 |
|----------------------------|--------------------------|--------------------------|
| Provision for legal claims | 11 334 | - |
| | 11 334 | - |

A provision of R11,3 million has been recognised in the current reporting period representing the potential exposure of the Group to legal costs and commercial claims for matters that were unresolved prior to the approval of the financial statements. While management have accrued for legal and settlement costs based on similar historical matters, the matter remains unresolved at year-end with the final settlement amount not yet determined. Management expects final settlement of the matter to take place in the upcoming financial year ending 28 February 2023.

8. FINANCE INCOME

| | Audited 2022 R'000 | Audited 2021 R'000 |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | 28 | 110 |
| Interest and financing fee income included in revenue | 21 987 | 21 135 |
| Total finance income | 22 015 | 21 245 |

9. FINANCE COSTS

| | Audited 2022 R'000 | Audited 2021 R'000 |
|---|--------------------------|--------------------------|
| Lease liabilities | 1 886 | 2 555 |
| Interest-bearing borrowings | 2 182 | 2 951 |
| Other interest paid | 200 | 14 |
| Included in profit or loss | 4 268 | 5 520 |
| Interest and financing fee income included in revenue | 13 897 | 13 553 |
| Total finance costs | 18 165 | 19 073 |

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

10. NOTES TO THE SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Audited 2022 R'000 | Audited 2021 R'000 |
|---|--------------------------|--------------------------|
| 10.1 Cash generated from operations | | |
| Profit before tax | 224 456 | 91 902 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 21 292 | 27 124 |
| (Profit)/loss on disposal of plant and equipment | (62) | 105 |
| Impairment loss on intangible asset | 7 889 | 781 |
| Finance income | (28) | (110) |
| Finance costs | 4 268 | 5 520 |
| Foreign exchange gains | (349) | (2 203) |
| Fair value loss | 330 | 3 322 |
| Movement in defined benefit plan liability | (127) | (127) |
| Equity-settled share-based payment expense | 324 | 917 |
| Share of profit of associate, net of tax | (250) | (96) |
| Modification on lease liability | (15) | (259) |
| <i>Working capital changes:</i> | | |
| Increase/(decrease) in discounting of trade receivables | 24 379 | (16 579) |
| Increase in trade and other receivables | (256 886) | (88 160) |
| Increase in trade and other payables and provisions | 138 472 | 153 848 |
| | 163 693 | 175 985 |
| 10.2 Tax paid | | |
| Balance at the beginning of the year | (9 268) | (5 955) |
| Income tax expense recognised in profit or loss | (56 186) | (24 233) |
| Foreign exchange translation | 180 | (221) |
| Net balance at the end of the year | 20 447 | 9 268 |
| | (44 827) | (21 141) |
| 10.3 Acquisition of associate | | |
| Investment in associate | - | 1 246 |
| Net assets acquired | - | 1 246 |
| Contingent consideration | - | (411) |
| Settled in cash | - | 835 |

SUPPLEMENTARY INFORMATION continued

for the year ended 28 February 2022

11. EVENTS AFTER THE REPORTING PERIOD

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

12. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board on 16 May 2022.

13. AUDIT OPINION

These summarised consolidated financial statements for the year ended 28 February 2022 have been audited by Moore Johannesburg Inc. ("Moore"), who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 28 February 2022 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 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 reports. Moore 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 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 2022 financial year.

By order of the Board

J Lupton, FCG

Company Secretary

16 May 2022

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

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

Private Bag X9000, Saxonwold, 2132

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

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



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.

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

Tel: +27 031 521 0160
Email: enquiries@santova.com
www.santova.com