



UNAUDITED GROUP INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2022

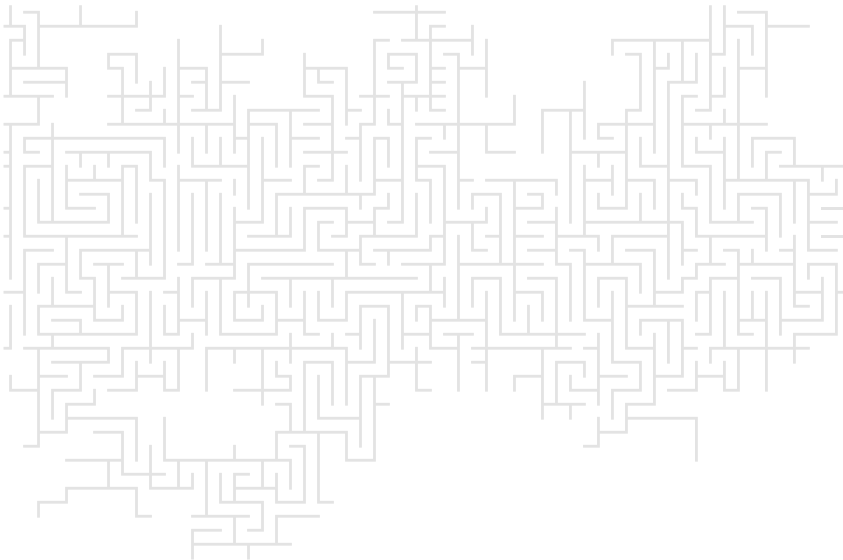


Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

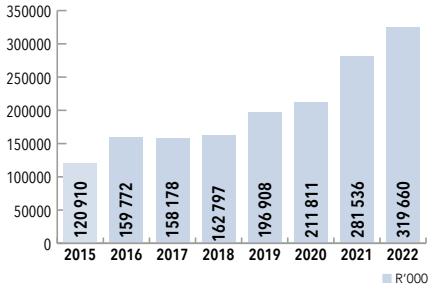
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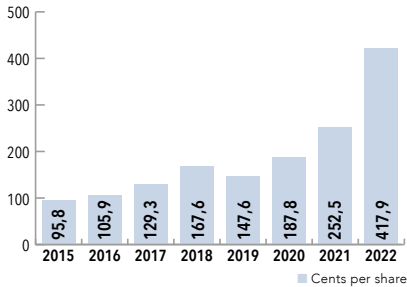


SANTOVA GROUP INTERIM HIGHLIGHTS

REVENUE AND NET INTEREST INCOME



TANGIBLE NET ASSET VALUE PER SHARE



KEY HIGHLIGHTS

REVENUE AND NET INTEREST INCOME INCREASED BY

13,5%

TANGIBLE NET ASSET VALUE PER SHARE INCREASED BY

65,5%

CASH GENERATED FROM OPERATIONS INCREASED BY

45,5%

RETURN ON EQUITY INCREASED TO

28,2%

HEADLINE EARNINGS PER SHARE INCREASED BY

62,4%

		2022 August	2021 August	% Movement
Gross billings	(R'000)	3 390 737	2 926 165	15,9
Revenue and net interest income	(R'000)	319 660	281 536	13,5
Profit before tax	(R'000)	143 362	89 355	60,4
Billings margin	(%)	9,4	9,6	(0,2)
Headline earnings	(R'000)	107 064	67 446	58,7
Operating margin	(%)	45,7	32,4	13,3
Percentage offshore earnings	(%)	70,3	89,6	(19,3)
Basic earnings per share	(cents)	78,1	48,2	62,1
Headline earnings per share	(cents)	78,1	48,1	62,4
Total assets	(R'000)	1 675 868	1 198 706	39,8
Capital and reserves	(R'000)	861 548	656 346	31,3
Cash generated from operations	(R'000)	119 466	82 103	45,5
Cash and cash equivalents	(R'000)	339 517	227 717	49,1
Debt to equity ratio*	(%)	5,3	4,5	0,8
Net asset value per share	(cents)	632,2	465,8	35,7
Tangible net asset value per share	(cents)	417,9	252,5	65,5
Return on equity	(%)	28,2	21,0	7,2

* Debt comprises interest-bearing borrowings (refer note 7).

SANTOVA LIMITED 2022 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2022

INTRODUCTION

The Santova Group is an international, technology-based trade solutions specialist, delivering innovative end-to-end supply chain solutions. The Group is represented in 11 countries through its own offices in South Africa, Mauritius, Germany, the Netherlands, the United Kingdom, Australia, Hong Kong, Singapore, Thailand, the United States of America and Vietnam.

INDUSTRY OVERVIEW

Global supply chains have continued to experience major disruptions into 2022 despite the ongoing return to post-pandemic normality in many regions. While the logistical after-effects of the COVID-19 pandemic have eased in 2022, intermittent lockdowns, primarily in Asia, have stubbornly persisted, creating congestion in key ports, which continues to put pressure on equipment capacity.

The anticipated recovery of supply chains in 2022 has been further frustrated by unprecedented natural disasters and labour disputes affecting some of the world's major logistics hubs.

Some of the above that have impacted Santova and its customers include the recent flooding, which caused significant damage and congestion at the ports of Durban, South Africa ("SA") and Sydney, Australia, while storm Eunice affected various sea and air ports across the United Kingdom ("UK"). Labour disputes leading to strike action at major ports such as Felixstowe in the UK and the West Coast ports in the United States of America ("USA") have added a further dimension of complexity to equipment congestion and supply chain disruptions.

SANTOVA'S POSITION

The ongoing disruptions have highlighted the importance of a strategic supply chain partner to ensure businesses can successfully navigate through these global complexities and effectively manage interruptions to operations. The reputation that Santova has solidified is demonstrated yet again through its 6 months results to 31 August 2022.

The Santova Group has continued to attract quality clients that are looking to pivot off the Group's advanced technology offering, benefit from competitive rates, and secure scarce capacity. Thus despite global challenges, Santova proudly retains its status as a highly skilled and collaborative supply chain specialist, that integrates and participates in offering customers bespoke solutions to problems, not simply one-dimensional freight forwarding services.

HIGHLIGHTS

The results for the 6 months ending 31 August 2022 saw revenue and net interest income grow by 13,5% to R319,7 million (August 2021: R281,5 million) and net profit after tax ("NPAT") increase by 58,5% to R107,1 million (August 2021: R67,6 million).

Headline earnings per share ("HEPS") is up 62,4% to 78,1 cents per share ("CPS") (August 2021: 48,1 CPS) driven by the growth in earnings and continued repurchasing of treasury shares.

Santova remained opportunistic by repurchasing and cancelling 1,5 million of its own shares from the open market at an average price of 733,65 CPS. This figure represents 1,1% of the issued share capital of the company being returned to shareholders.

The operating environment continued to benefit from the implementation of technology with operating margins improving to 45,7% (August 2021: 32,4%).

Cash generated from operations for the period increased by R37,3 million to R119,4 million (August 2021: R82,1 million), with cash and cash equivalents having risen to R339,5 million (August 2021: R227,7 million).

SANTOVA LIMITED 2022 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2022 (continued)

OUTLOOK

The outlook for the next 6 months to 28 February 2023 remains unpredictable with prevailing market volatility expected to remain.

Inflationary pressure continues to mount with major economies experiencing surging inflation precipitated by factors such as the sustained supply chain disruptions and the ongoing conflict between Russia and Ukraine which has driven up gas prices across the UK and Europe.

Shipping rates have declined in 2022 as demand appears to be cooling with the decongestion of supply chains following the servicing of pent up demand, and the general drop-off in consumer spending linked to inflationary pressures and recessionary indicators.

The Drewry World Container Index (USD per 40 foot container), being a common indicator for shipping rates, reported a drop from a high of approximately USD9,700 in January 2022, to a low of USD4,000 in September 2022. However, the current rates are still significantly up on 2019 pre-pandemic rates, which were in the range of USD1,300 to USD1,600.

While these rates have softened and are becoming comparably more affordable, service and capacity availability remains unreliable due to the ongoing global volatility. This includes amongst others, the knock-on effect of the Russia Ukraine conflict, continued trucker shortages in Europe, the UK and the USA, China's implementation of sporadic regional lockdowns, and port congestion and infrastructure inadequacies at various ports in the USA.

A subdued "peak season", which typically runs from late August to early November, is anticipated as larger customers are already sitting with elevated stock levels, having ordered Black Friday and Christmas stock earlier than in prior years to avoid delays and ensure timeous arrivals.

The tempering rates however have led to smaller customers, who were priced out of the market at the elevated rates, now beginning to re-engage and resume trade as carriers move away from a spot rate driven market to more competitive contract rates.

ACQUISITIONS

The Group has been pursuing an acquisition in the USA, namely A-Link Freight Inc. ("A-Link"), which successfully closed in September, shortly after the interim period end. The USA has been a focus area for Santova for numerous years with a number of existing clients importing from and exporting to the region. Due to the premium the market attributes to logistics businesses in the USA, Santova has been cautious in its entry into the region and patient in pursuing opportunities.

A purchase and sale agreement was concluded to acquire 100% of the share capital or assets of A-Link for USD2,35 million, with a cumulative warranted earnings before interest, taxes, and amortisation ("EBITDA") of USD1,2 million for the 2 years after the effective date. The Group is optimistic about the potential of A-Link and the broader opportunities for the Group in the region.

SANTOVA LIMITED 2022 INTERIM RESULTS COMMENTARY

for the six months ended 31 August 2022 (continued)

REGIONAL PERFORMANCE

Africa

Africa, materially represented by SA, has continued to cement itself as provider of choice, with customers seeking more sophisticated solutions to deal with global disruptions. The region has continued to add quality customers resulting in revenue increasing by 52,7% to R96,9 million (August 2021: R63,5 million).

The SA performance is commendable considering the devastating impact of the April 2022 floods on logistics infrastructure in Durban, and the increasing inefficiencies with Transnet port and rail operations. The SA region also appears to have become a less desirable destination with shipping lines making it increasingly difficult to find and secure capacity on major trade lanes.

SA has noted an increase in airfreight activity with volumes up by 81,8% to 2 thousand tonnes (August 2021: 1,1 thousand tonnes) resulting from customers who run just-in-time ("JIT") inventory models requiring emergency stock due to scheduled deliveries being delayed or unpredictable.

Europe

Europe, which comprises the Netherlands and Germany, decreased revenue by 17,5% to R77,7 million (August 2021: R94,2 million), while NPAT increased by 2,7% to R34,8 million (August 2021: R33,9 million). The impact of the drop in revenue on earnings was partially offset by large forex gains on USD cash reserves and lower operating costs.

While the Netherlands revenue declined 3.3% to R64,9 million, it should be noted that the prior period (August 2021) saw a 69.4% increase in revenue on the preceding period (August 2020) which has been materially sustained as the region continues to benefit from elevated trade into Europe through the Rotterdam port as a result of Brexit.

Germany revenue fell by 52,8% back to pre-pandemic levels, primarily due to the conclusion of a fixed contract to facilitate the importation of COVID-19 related supplies in the prior period.

Asia Pacific

Asia Pacific ("AP"), which includes Australia, Hong Kong, Singapore and Thailand, increased revenue by 40,5% to R49,7 million (August 2021: R35,3 million).

The increase in AP revenue is primarily attributed to Australia seeing significant growth from various successful, long-standing customers. Revenue in Australia grew 58,2% to AUD 1,8 million, with NPAT climbing 136,1% to AUD 696,3 thousand.

Singapore, which experienced difficult trading conditions in the prior year, produced a meaningful recovery through a focus on new clients and better buy-rates. Revenue for the region grew by 24,0% to SGD 1,3 million and NPAT by 319,6% to SGD 584,2 thousand.

UK

The UK increased revenue by 7,7% to R90,8 million (August 2021: R84,3 million) and NPAT by 25,6% to R19,9 million (August 2021: R15,8 million) with strong contributions by Tradeway Shipping Ltd, who operate in a niche market exporting used goods to Africa and the Middle East, and SAI Logistics Ltd, who operate a warehousing business focussed on the e-commerce environment.

W.M. Shipping has had a relatively subdued 6 months with some major customers trading down, specifically household and consumer product customers, who paused imports after experiencing record trade during the pandemic, which has been slowed due to inflationary pressure on the end-consumer's disposable income.

The region's airfreight business unit has grown by 12,1% driven by project work and tailored airfreight products being offered to customers, which has increased volumes, and allowed the negotiation of improved buy-rates from the airlines.

CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

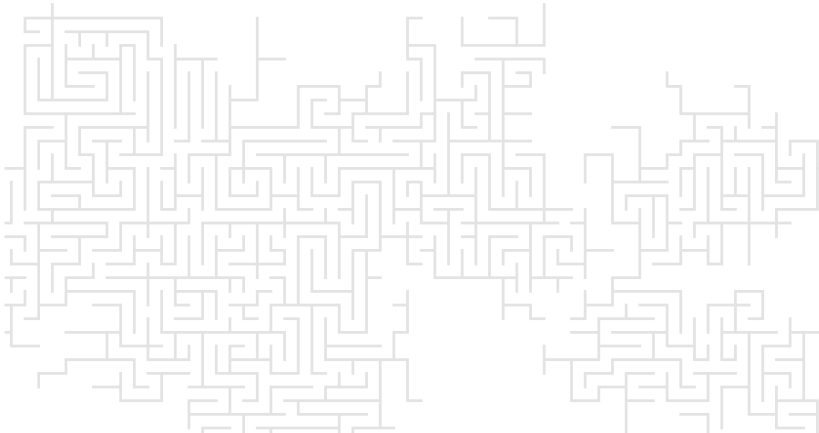
	Notes	Unaudited		Audited
		6 months to 31 August 2022 R'000	6 months to 31 August 2021 R'000	12 months to 28 February 2022 R'000
Gross billings		3 390 737	2 926 165	6 418 867
Revenue		313 731	278 033	611 022
Net interest income		5 929	3 503	8 090
Interest and financing fee income		15 864	8 903	21 987
Interest and financing fee expense		(9 935)	(5 400)	(13 897)
Revenue and net interest income	2	319 660	281 536	619 112
Other income		13 499	4 324	26 158
Depreciation, amortisation and impairment loss on non-financial assets		(10 082)	(11 059)	(29 181)
Administrative expenses		(174 120)	(178 642)	(381 427)
Impairment loss on trade receivables		(2 966)	(4 981)	(6 216)
Operating profit		145 991	91 178	228 446
Finance income		49	19	28
Finance costs		(2 836)	(2 016)	(4 268)
Profit before share of associate's profit		143 204	89 181	224 206
Share of profit of associate, net of tax		158	174	250
Profit before tax		143 362	89 355	224 456
Income tax expense		(36 230)	(21 763)	(54 326)
Profit for the period		107 132	67 592	170 130
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss				
<i>Exchange differences arising from translation of foreign operations</i>		(2 361)	(21 014)	(8 877)
Items that will not be reclassified subsequently to profit or loss				
<i>Remeasurements of post-retirement medical aid benefit liability</i>		-	-	99
Other comprehensive loss for the period		(2 361)	(21 014)	(8 778)
Total comprehensive income for the period		104 771	46 578	161 352
Profit for the year attributable to:				
Owners of the Company		107 109	67 541	170 092
Non-controlling interest		23	51	38
		107 132	67 592	170 130
Total comprehensive income for the year attributable to:				
Owners of the Company		104 734	46 531	161 311
Non-controlling interest		37	47	41
		104 771	46 578	161 352
Basic earnings per share (cents)	3	78,14	48,21	122,60
Diluted earnings per share (cents)	3	75,51	47,19	119,56

CONDENSED STATEMENT OF FINANCIAL POSITION

		Unaudited		Audited
		31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
	Notes			
ASSETS				
Non-current assets		371 726	389 117	383 466
	Property, plant and equipment	25 182	26 380	25 766
	Right-of-use assets	31 844	36 531	36 330
	Intangible assets	292 036	300 635	298 052
	Investment in associate	1 750	1 516	1 592
	Financial assets at fair value through profit or loss	7 103	8 028	6 571
	Deferred tax assets	13 811	16 027	15 155
Current assets		1 304 142	809 589	1 255 298
	Trade and other receivables	958 362	580 842	981 988
	Current tax assets	1 333	1 030	724
	Financial assets at fair value through profit or loss	4 930	-	1 781
	Cash and cash equivalents	339 517	227 717	270 805
Total assets		1 675 868	1 198 706	1 638 764
EQUITY AND LIABILITIES				
Capital and reserves		861 548	656 346	765 847
Non-current liabilities		34 012	39 398	47 636
	Interest-bearing borrowings	14 126	10 617	22 380
	Employee benefit obligations	758	984	758
	Financial liabilities at fair value through profit or loss	-	1 034	-
	Lease liabilities	19 116	26 022	24 487
	Deferred tax liabilities	12	741	11
Current liabilities		780 308	502 962	825 281
	Trade and other payables	463 582	284 502	518 492
	Current tax liabilities	32 489	24 953	21 171
	Interest-bearing borrowings	31 738	18 970	31 811
	Amounts owing to related parties	317	274	288
	Financial liabilities at fair value through profit or loss	4 655	18 121	2 078
	Lease liabilities	14 848	12 769	14 204
	Provisions	15 853	-	11 334
	Overdrafts and bank facilities	216 826	143 373	225 903
Total equity and liabilities		1 675 868	1 198 706	1 638 764

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
CAPITAL AND RESERVES			
Balance at beginning of period	765 847	619 040	619 040
Profit for the year	107 132	67 592	170 130
Other comprehensive income	(2 361)	(21 014)	(8 778)
Treasury shares acquired	(10 795)	(9 471)	(15 194)
Equity-settled share-based payment expense	170	172	324
Shares issued under share option scheme	1 571	28	327
Share issue costs	(16)	(1)	(2)
Balance at end of period	861 548	656 346	765 847
COMPRISING:			
Stated capital	149 384	172 885	163 998
Equity-settled share-based payment reserve	8 609	8 751	8 764
Revaluation reserve	36	36	36
Treasury shares	-	(9 301)	(5 699)
Foreign currency translation reserve	41 429	31 674	43 804
Retained earnings	661 913	452 155	554 804
Attributable to equity holders of the Company	861 371	656 200	765 707
Non-controlling interest	177	146	140
Capital and reserves	861 548	656 346	765 847



CONDENSED STATEMENT OF CASH FLOWS

	Notes	Unaudited		Audited
		6 months to 31 August 2022 R'000	6 months to 31 August 2021 R'000	12 months to 28 February 2022 R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	8	119 466	82 103	163 693
Finance income		49	19	28
Finance costs		(3 078)	(792)	(4 257)
Tax paid		(24 177)	(8 931)	(44 827)
Net cash from operating activities		92 260	72 399	114 637
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of plant and equipment		(2 010)	(1 738)	(2 508)
Acquisition and development of intangible assets		(1 055)	(2 810)	(3 641)
Proceeds on disposals of plant and equipment		99	249	350
Settlement of contingent consideration		(212)	(166)	(18 294)
Net cash used in investing activities		(3 178)	(4 465)	(24 093)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing borrowings		-	-	30 000
Repayment of interest-bearing borrowings		(7 964)	(2 490)	(7 662)
Payment of lease liabilities		(7 239)	(8 770)	(14 431)
Proceeds from issue of share capital		1 554	27	325
Treasury shares acquired		(10 795)	(9 471)	(15 194)
Proceeds from related party loans		29	-	3
Repayment of related party loans		-	(11)	-
Net cash used in financing activities		(24 415)	(20 715)	(6 959)
Net increase in cash and cash equivalents		64 667	47 219	83 585
Difference arising on translation		4 045	(9 522)	(2 800)
Cash and cash equivalents at beginning of period		270 805	190 020	190 020
Cash and cash equivalents at end of period		339 517	227 717	270 805
<i>Cash and cash equivalents comprise:</i>				
Cash and cash equivalents		339 517	227 717	270 805
Less: Bank overdrafts		-	-	-
Cash and cash equivalents at end of period		339 517	227 717	270 805

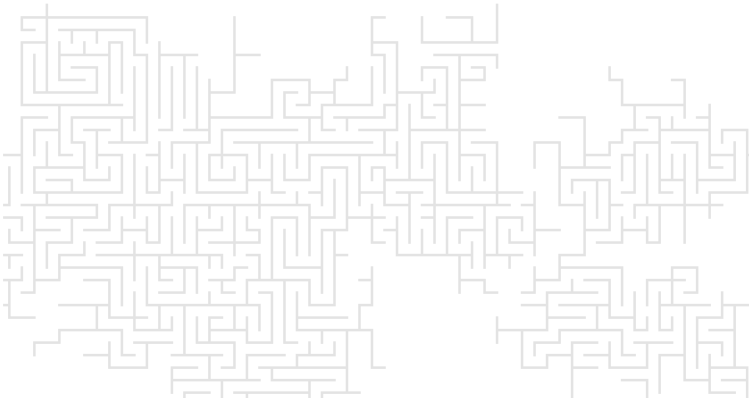
CONDENSED SEGMENT ANALYSIS

	Logistics Services R'000	Financial Services R'000	Head Office R'000	Consolidated R'000
BUSINESS SEGMENTS				
31 August 2022				
Revenue and net interest income	315 087	4 573	-	319 660
Operating profit/(loss)	145 990	1 552	(1 551)	145 991
Profit/(loss) for the period	109 863	1 286	(4 017)	107 132
Segment assets	1 400 684	1 814	273 370	1 675 868
Segment assets excluding investment in associate	1 398 934	1 814	273 370	1 674 118
Investment in associate	1 750	-	-	1 750
Segment liabilities	769 286	1 008	44 026	814 320
Depreciation and amortisation	9 986	20	76	10 082
Capital expenditure	2 920	100	19	3 039
31 August 2021				
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
Segment assets	928 037	744	269 925	1 198 706
Segment assets excluding investment in associate	926 521	744	269 925	1 197 190
Investment in associate	1 516	-	-	1 516
Segment liabilities	514 973	384	27 003	542 360
Depreciation and amortisation	10 829	15	215	11 059
Capital expenditure	4 279	-	-	4 279

CONDENSED SEGMENT ANALYSIS

continued

	LOGISTICS SERVICES				
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
GEOGRAPHICAL SEGMENTS					
31 August 2022					
Revenue and net interest income	96 911	49 669	90 826	77 681	315 087
Operating profit	48 132	24 934	26 066	46 858	145 990
Profit for the period	34 572	20 631	19 868	34 792	109 863
Total assets	624 286	172 676	338 109	265 613	1 400 684
Total liabilities	341 439	114 540	170 376	142 931	769 286
Depreciation and amortisation	2 902	1 344	3 675	2 065	9 986
Capital expenditure	460	245	1 186	1 029	2 920
31 August 2021					
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	118 126	256 990	205 933	928 037
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



SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 August 2022 have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the South African Institute of 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, 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 2022.

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 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
2. REVENUE			
Gross Billings	3 390 737	2 926 165	6 418 867
Less: recoverable disbursements	(3 071 077)	(2 644 629)	(5 799 755)
Revenue and net interest income	319 660	281 536	619 112
Revenue from the provision of services comprises:	313 731	278 033	611 022
Logistic services	309 158	273 749	603 246
Insurance commission and management fees	4 573	4 284	7 764
Other revenue	-	-	12
Net interest income from the provision of credit facilities comprises:	5 929	3 503	8 090
Interest and financing fee income	15 864	8 903	21 987
Interest and financing fee expenses	(9 935)	(5 400)	(13 897)
Revenue and net interest income	319 660	281 536	619 112

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (continued)

		Unaudited		Audited
		31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
3. EARNINGS PER SHARE				
Basic earnings per share	(cents)	78,14	48,21	122,60
Headline earnings per share	(cents)	78,11	48,14	126,81
Diluted earnings per share	(cents)	75,51	47,19	119,56
Diluted headline earnings per share	(cents)	75,48	47,12	123,66
Reconciliation between basic and headline earnings per share:				
Profit for the period/Basic earnings		107 109	67 541	170 092
<i>Adjusted for:</i>				
Profit on disposal of property, plant and equipment		(63)	(132)	(62)
Impairment loss on intangible assets		-	-	7 889
Tax effects		18	37	(1 982)
Headline earnings		107 064	67 446	175 937
Numbers of shares used in the calculations:				
		Shares 31 August 2022	Shares 31 August 2021	Shares 28 February 2022
Shares in issue at period end	(000s)	136 285	140 903	138 420
Weighted average number of shares ("WANOS")*	(000s)	137 074	140 103	138 737
Diluted WANOS	(000s)	141 847	143 129	142 270
Reconciliation of WANOS to diluted WANOS:				
WANOS*	(000s)	137 074	140 103	138 737
Effect of unexercised share options	(000s)	4 773	3 026	3 533
Diluted WANOS	(000s)	141 847	143 129	142 270

* The group holds nil (2021: 1 329 736) treasury shares, which have been excluded from the WANOS calculations.

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (continued)

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
4. INTANGIBLE ASSETS			
Goodwill:			
Carrying amount at beginning of period	289 078	294 941	294 941
Foreign exchange loss on translation	(5 887)	(11 988)	(5 863)
Carrying amount at end of period	283 191	282 953	289 078
Carrying amount of computer software and indefinite useful life intangible assets	8 845	17 682	8 974
Total intangible assets	292 036	300 635	298 052

	Level	Unaudited		Audited
		31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
5. FAIR VALUE DISCLOSURE FOR FINANCIAL INSTRUMENTS				
Financial assets at fair value through profit or loss				
Future profit share on rental agreement ¹	2	3 502	3 502	3 502
Guardrisk cell captive ²	2	3 601	4 526	3 069
Forward exchange contracts	2	4 930	-	1 781
		12 033	8 028	8 352
Financial liabilities at fair value through profit or loss				
Contingent consideration ³	3	-	18 304	558
Forward exchange contracts	2	4 655	851	1 520
		4 655	19 155	2 078

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (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.

¹Santova 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) R144 per m²

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

²This 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.

³This 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 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
Financial liability at beginning of period	558	20 064	20 064
Fair value loss	-	373	443
Fair value gain	(345)	(1 005)	(1 011)
Foreign exchange (gain)/loss on translation	(1)	(1)	(32)
Foreign exchange (gain)/loss on translation recognised in foreign currency translation reserve	-	(961)	(612)
Settled during the period	(212)	(166)	(18 294)
Financial liability at end of period	-	18 304	558

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (continued)

The remaining contingent purchase obligations relate to the following acquisitions:

Acquiring company	Target company	Unaudited		Audited
		31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
Tradeway (Shipping) Ltd	SAI Logistics Ltd	-	12 109	-
Santova Logistics B.V.	MLG Maritime Cargo Logistics GmbH	-	5 951	345
Santova International Holdings (Pty) Ltd	ASM Thailand (S) Pte Ltd	-	244	213

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.

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
6. STATED CAPITAL			
Reconciliation of the carrying amount of ordinary shares in issue			
Balance at beginning of period	163 998	221 096	221 096
Exercise of share options	1 896	56	494
Share issue costs	(16)	(1)	(2)
Cancellation of treasury shares	(16 494)	(48 266)	(57 590)
Balance at end of period	149 384	172 885	163 998
Reconciliation of the number of ordinary shares in issue	000s	000s	000s
Balance at beginning of period	137 089	140 872	140 872
Exercise of share options	650	30	218
Treasury shares acquired	(1 454)	(2 671)	(4 001)
Balance at end of period	136 285	138 231	137 089

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (continued)

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
7. INTEREST-BEARING BORROWINGS			
Medium-term loan ¹	8 719	-	9 574
Medium-term loan ²	12 833	-	17 640
Medium-term loan ³	11 667	16 243	13 968
Medium-term loan ⁴	-	103	-
Loan - FG Heuer ⁵	12 645	13 241	13 009
	45 864	29 587	54 191
Debt to equity	5,3%	4,5%	7,1%

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

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

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

⁴ 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 three years beginning in September 2019. This loan was settled in full in the prior period.

⁵ 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 three loans have 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.

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022 (continued)

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
8. NOTES TO THE STATEMENT OF CASH FLOWS			
Cash generated from operations			
Profit before tax	143 362	89 355	224 456
<i>Adjustments for:</i>			
Depreciation and amortisation	10 082	11 059	21 292
Profit on disposal of property, plant and equipment	(63)	(132)	(62)
Impairment on intangible assets	-	-	7 889
Finance income	(49)	(19)	(28)
Finance costs	2 836	2 016	4 268
Foreign exchange gain/(loss) on financial liabilities and dividends	-	657	(349)
Fair value (gain)/loss on financial assets and liabilities	(870)	(78)	330
Movement in employee benefit liability	-	-	(127)
Equity-settled share-based payment expense	170	172	324
Equity accounted profits of associate	(158)	(174)	(250)
IFRS 16 adjustments	-	(12)	(15)
<i>Working capital changes:</i>			
(Decrease)/increase in discounting of trade receivables	(9 078)	(58 152)	24 379
Decrease/(increase) in trade and other receivables	23 626	144 260	(256 886)
(Decrease)/increase in trade and other payables and provisions	(50 392)	(106 849)	138 472
	119 466	82 103	163 693

SUPPLEMENTARY INFORMATION

for the six months ended 31 August 2022

	Unaudited		Audited
	31 August 2022 R'000	31 August 2021 R'000	28 February 2022 R'000
9. PROVISIONS			
Provision for legal claims	15 853	-	11 334
	15 853	-	11 334

Management have continued to monitor and review the potential exposure of the Group to legal costs and commercial claims as reported in the February 2022 Annual Financial Statements. With further comparable information having become available, the provision has been increased to align with the anticipated outcome. The matter remains unresolved at the date of this report with the final amount not yet determined.

Reconciliation of movements for the period:

Balance at beginning of year	11 334	-	-
Provision raised	4 954	-	11 334
Foreign exchange gain	(435)	-	-
Balance at end of year	15 853	-	11 334

10. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the period end it was announced that, Santova concluded a purchase and sale agreement to acquire 100% of the share capital or assets of A-Link Freight, Inc. ("A-Link") from Universal Shipping, Inc. for an amount of USD2 350 000 with effect 21 September 2022.

The USA has been a focus area for Santova for numerous years with a number of existing clients importing from and exporting to the region. Due to the premium the market attributes to logistics businesses in the USA, Santova has been cautious in its entry into the region and patient in pursuing opportunities. A-Link is based in Los Angeles, California, and has been operating for over 20 years providing air freight services to and from the USA with specific focus on exports from Los Angeles airport. Their agreements with major international carriers allow A-Link to provide competitive rates with a reliable service.

The purchase price payable for the acquisition of A-Link is as follows:

- A first installment of USD645 000 payable on the effective date;
- A second installment of USD705 000 payable within 180 days of the effective date;
- A third installment of USD1 000 000 payable within 2 years of the effective date, subject to the warranty provisions set out below;

The warranty conditions require A-Link to produce cumulative earnings before interest, taxes, and amortization ("EBITDA") of USD1 200 000 for the 2 years after the effective date.

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

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Contact Number

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CORPORATE BANKERS

Nedbank Limited

PO Box 1144, Sandown, 2196, South Africa



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

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

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