Santova

INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

ANNUAL INTEGRATED REPORT 2023

NAVIGATING OUR REPORT

The following documents that form part of this report are available at www.santova.com:

FINANCIAL

- Annual Financial Statements ("AFS"), including:
  - Audit and Risk Committee Report
  - Social and Ethics Committee Report
- Preliminary Audited Results

SOCIAL AND ENVIRONMENTAL

- Social and Environmental ("S&E") Report

GOVERNANCE

- King IV™ Governance Register and Supporting Reports

SHAREHOLDERS

- Notice of Annual General Meeting ("AGM") including:
  - Form of Proxy

OUR APPROACH TO REPORTING

Santova Limited ("Santova") has pleasure in presenting its **2023 Annual Integrated Report ("AIR")**, which covers the performance of Santova and its subsidiaries ("the Group") for the year ended 28 February 2023. This report has been produced to present, in a concise manner, those elements of the Group's economic, governance, social and environmental performance that are material to enable stakeholders to make informed assessments of the Group's performance and the Group's ability to create long-term sustainable value. This report has been prepared primarily for current and potential shareholders who are the providers of the Company's share capital and the primary risk-takers within the business.

SCOPE AND BOUNDARY

This report has been prepared in compliance with applicable legislative reporting requirements, including principally:

- Integrated Reporting Framework issued by the International Integrated Reporting Council ("IIRC")
- Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act")
- International Financial Reporting Standards ("IFRS")
- JSE Limited ("JSE") Listings Requirements
- King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™")
- B-BBEE Act (Act 46 of 2013), as amended ("the B-BBEE Act")

The report provides a concise overview of the Group's business model, its Culture and Values, investment case, competitive positioning, operating environment and strategies, as well as key operating and financial information, executive commentaries and relevant governance and risk reviews. The executive commentaries contain extracts from the Group Consolidated and Separate Financial Statements, which have been audited by Moore Johannesburg Inc. ("Moore") who has expressed an unmodified opinion thereon. These extracts are taken from the audited information but are themselves not audited. Stakeholders are referred to the full set of Annual Financial Statements ("AFS") for more detailed financial information. These may be found under our Investor Information on the Group's corporate website (www.santova.com).

MATERIALITY

This report focuses only on those material aspects that have the potential to substantially impact on the Group's ability to create and sustain value for its key stakeholders, as dictated by our business model and strategies.

Materiality was a key consideration in determining which matters to be included in this report. The process followed in determining material information includes:

- Identifying potentially relevant matters;
- Considering the significance of those matters and determining each matter's ability to materially influence assessments of the Group's ability to create value over time;
- Capturing risks and developing responsive implementation plans; and
- Prioritising and reporting those matters identified as material.

In drafting the report, careful consideration was given to the guiding principal of 'conciseness' from the Integrated Reporting Framework of the IIRC and the key focus of the JSE through its Proactive Monitoring Process to ensure the 'decluttering' of AFS superfluous information.

ASSURANCE

Santova has adopted a combined assurance framework that the Board of Directors ("the Board") believes is appropriate with respect to its stage of development, considering the risks it encounters and its strategies.

This framework is overseen by the Audit and Risk Committee and involves obtaining assurance from executive and senior management, external assurance providers and internal assurance principally from the Group's corporate services divisions.

As part of the adoption of this assurance framework, the following specific external assurances were obtained in compiling this integrated report and the accompanying documents published on our website:

- Our Consolidated and Separate Financial Statements have been audited by Moore, the Group's Independent External Auditor;
- The shareholder analysis and share performance data contained in the Shareholder Information section of this integrated report have been prepared by an independent stakeholder intelligence consultant; and
- Our Broad-based Black Economic Empowerment ("B-BBEE") scorecard and disclosures have been audited by an accredited external verification entity.

2023 REPORTING SUITE

This 2023 Santova **AIR** provides a concise overview of the Group's economic and governance performance. Complementing this report are several other reports that are produced for specific stakeholders and which provide more detailed financial and governance information, as well as social and environmental information. A list of these reports may be found on the preceding Navigating Our Report page. These and other associated reports are available on the Group's website (www.santova.com) and should be read in conjunction with this **AIR**. This suite of reports provides the necessary information to enable stakeholders to make informed assessments of the Group's performance and to identify with the Group's outlook in the short, medium and long-term.

BOARD APPROVAL

The Audit and Risk Committee has oversight on integrated reporting and the preparation of the **AIR**. The Committee confirms that the report fairly presents the material issues and integrated performance of the Group and recommended the report for approval by the Board. The Board approved the 2023 **AIR** on 17 May 2023.

WHO WE ARE

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, Australia, Germany, Hong Kong, Mauritius, the Netherlands, Singapore, Thailand, United Kingdom, United States and Vietnam.

OUR VISION

To be a leading brand in global trade solutions through strategic international offices and unrivalled intellectual capital.

OUR PURPOSE

To enable clients to achieve a competitive advantage through leading, cloud-based supply chain solutions and a multidimensional, innovative approach to international trade.

OUR CULTURE

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

INNOVATIVE SOLUTIONS ENDLESS POSSIBILITIES

OUR VALUES

ACCOUNTABILITY

- Responsible for decisions and actions
- Using initiative
- Self-disciplined
- Setting and meeting high standards

INTEGRITY

- Open, honest and transparent
- Ethical and moral behaviour
- Respectful of confidentiality
- Honourable and trustworthy

TEAM SPIRIT

- Willingness to participate
- Supportive and helpful
- Adaptable and flexible
- Cooperative attitude

INNOVATION

- Creative solutions and ideas
- Challenging and embracing change
- Forward-thinking
- 'Big-picture' approach

PASSION

- Enthusiasm and self-motivation
- Positive attitude and energy
- Tenacious commitment
- Competitive spirit

DIRECTORS OWN
21,04%
OF THE COMPANY

9 597
SHAREHOLDERS

NO SINGLE SHAREHOLDER OWNS MORE THAN
13,49%
OF THE COMPANY

22
OFFICES

11
COUNTRIES

WHERE WE OPERATE

UNITED STATES (US)
LOS ANGELES | CHICAGO
A-Link Freight
Santova Logistics

UNITED KINGDOM (UK)
LEEDS
Tradeway (Shipping)

HEATHROW | MANCHESTER | TAMWORTH
Santova Logistics

MILTON KEYNES
SAI Logistics

THE NETHERLANDS (NL)
SCHIPHOL | ROTTERDAM
Santova Logistics

GERMANY (DE)
FRANKFURT
Santova Logistics

HAMBURG
Santova Logistics
MLG Maritime Cargo Logistics

HONG KONG (HK)
Santova Logistics
Santova Patent Logistics

MAINLAND CHINA (CN)
*19 REPRESENTATIVE OFFICES

SINGAPORE (SG)
ASM Logistics
Santova Express Singapore

THAILAND (TH)
ASM Logistics

VIETNAM (VN)
Santova Logistics

SOUTH AFRICA (SA)
DURBAN | JOHANNESBURG | CAPE TOWN | GQEBERHA | PIETERMARITZBURG
Santova Logistics
Santova Financial Services
Santova International Trade Solutions
Santova Express

MAURITIUS (MU)
EBENE
ASM Global Logistics

AUSTRALIA (AU)
SYDNEY
Santova Logistics

Representative offices

OUR BUSINESS MODEL

SIX CAPITALS

INTELLECTUAL CAPITAL
Supply chain optimisation through Process and Technological Innovation

HUMAN CAPITAL
The specialist logistics skills, knowledge and experience held by the Group's employees

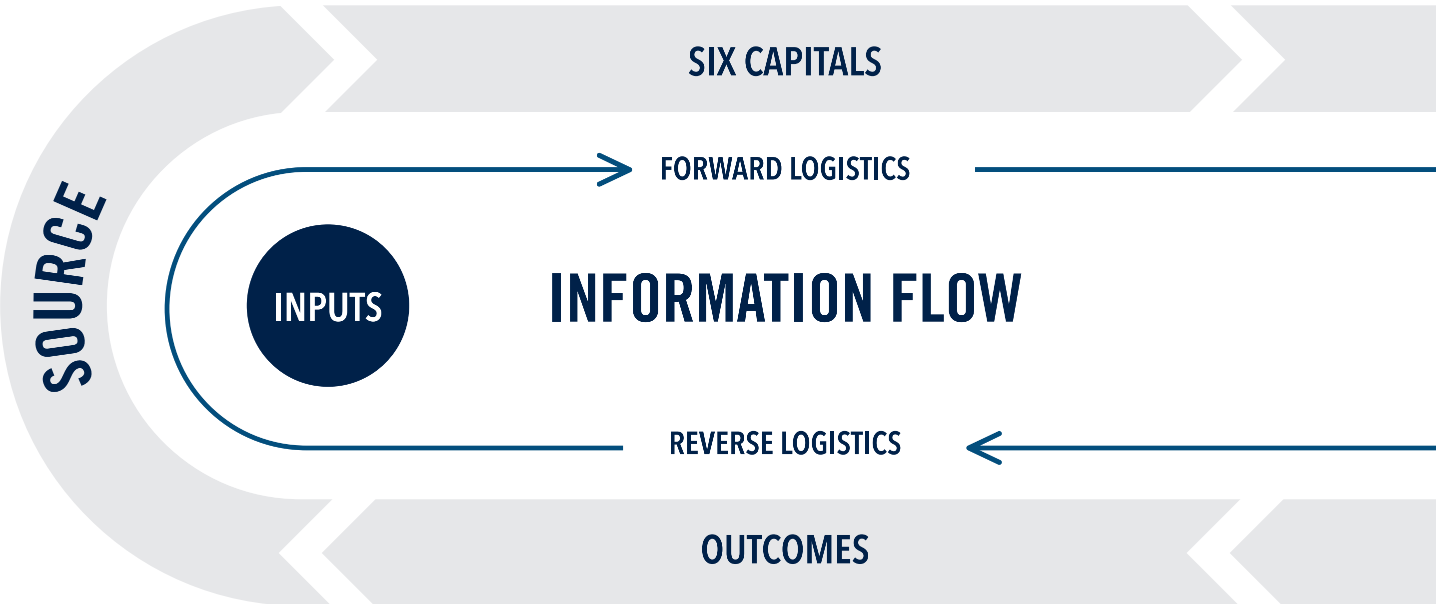
SOCIAL & RELATIONSHIP CAPITAL
The relationships the Group maintains with our key business stakeholders

FUNDING CAPITAL
The funding supplied by the Group's shareholders, primary bankers and creditors

MANUFACTURED CAPITAL
The Group's global infrastructure of offices

NATURAL CAPITAL*
Office-based usage of water, energy, land and carbon emissions

**Not material*



OUTCOMES

INTERNAL
- Growth in profitability
- Investment in key differentiators
- Value derived from key personnel
- Positive cash flows
- Building the Group's employment brand
- Effective corporate governance

EXTERNAL
- Optimising supply chain solutions
- Providing direct time and cost savings
- Customer satisfaction and retention
- Growing brand recognition
- Long-term shareholder wealth creation

Santova's business model focuses on assembling the intellectual capital and technology of the Group, together with the resources and capabilities of specialised logistics service providers, to design, develop and execute end-to-end supply chain solutions for clients.

BUSINESS ACTIVITIES

CONTINUAL EVALUATION AND ANALYSIS
Non-asset based model enabling flexibility and continual evaluation, thereby ensuring the delivery of bespoke, client-centric supply chain services for customers

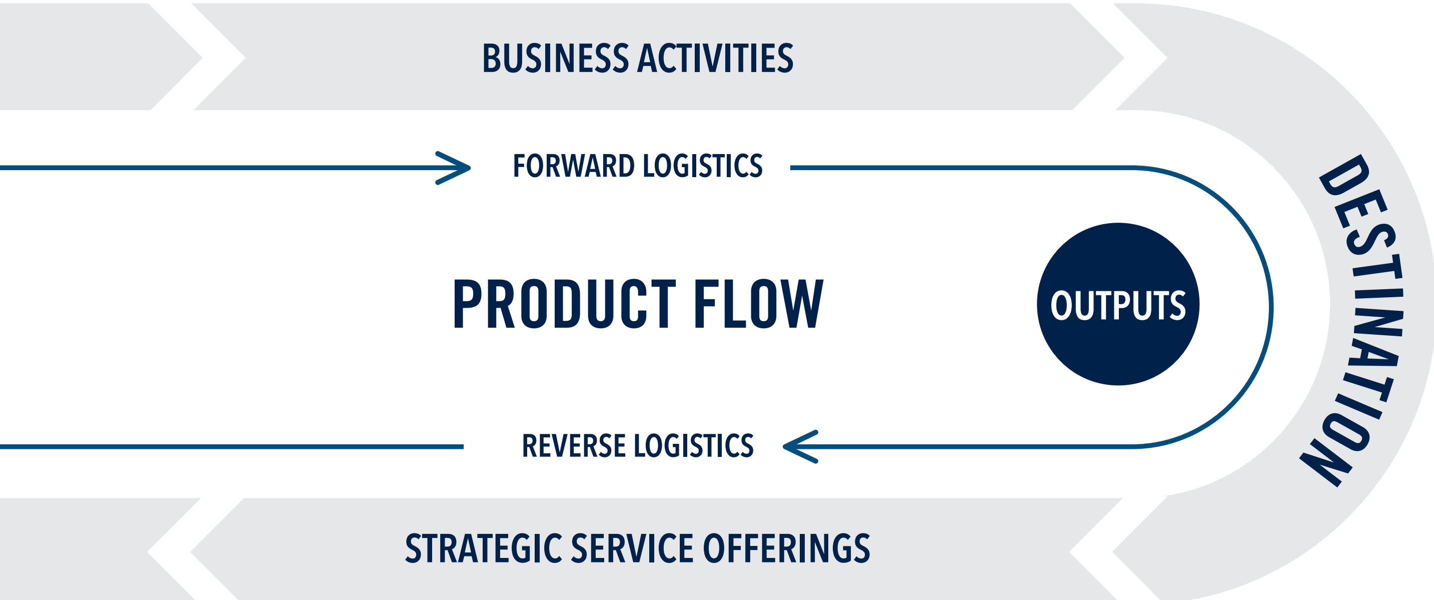
COORDINATION AND EXECUTION
Arranging end-to-end transportation, warehousing, customs clearance, insurance and delivery of import and export goods

RATE NEGOTIATION
Using strategic initiatives such as the centralised control towers to drive costs down for Sea, Air, Road and Rail services

RESEARCH, DEVELOP, DEPLOY
Continuously driving business operations optimisation and service level improvement through investing in technological solutions and intellectual property

EXTENSIVE RELATIONSHIPS
Developing and maintaining mutually beneficial relationships with customers, 3rd party transporters, shareholders and other stakeholders

ADMINISTRATION AND OVERSIGHT
Ensuring client service standards, as well as reporting, compliance and governance regulations, are met throughout the Group



STRATEGIC SERVICE OFFERINGS

LOGISTICS SERVICES
Logistics services including: customs clearing, freight forwarding, liner agency, groupage and consolidations, warehousing, ship chartering, road haulage and distribution

SUPPLY CHAIN SOLUTIONS
Optimising the supply chain through leading intellectual capital, supply chain solutions and systems

BUSINESS INTELLIGENCE
Unrivalled systems unlocking supply chain data and enabling predictive analytics

B2B GLOBAL MARKETPLACE
Expanding reach with a digital e-commerce marketplace for vendors and consumers

COURIER SERVICES
International express, door-to-door, time sensitive delivery of goods

GLOBAL PROJECTS
Planning, organising and controlling complex projects and abnormal, out-of-gauge (OOG) cargo

SOURCING AND PROCUREMENT
Sourcing, procuring and validating products and services from external global suppliers, reducing cost and ensuring reliability in terms of quality, quantity, time and location

FINANCIAL SERVICES
Client-centric risk management by analysing, designing and implementing tailor-made short-term insurance solutions

OUR KEY RELATIONSHIPS

As a non-asset based, specialised supply chain business that utilises intellectual capital to provide advice to our clients and recommended preferred suppliers to satisfy their logistical requirements, our relationships with our key stakeholders are core to our strategy and continued existence.

As a result, the Group's business model is highly stakeholder-centric and dependent on the establishment of long-term and mutually beneficial relationships with all stakeholders, which are facilitated through regular daily interaction with our employees across all levels. The Group has identified numerous stakeholders who influence the creation of value in its business model and these include our clients, suppliers, agents, employees, shareholders, financial institutions (banks and credit underwriters), governments, regulators and Information Technology ("IT") service providers.

The four stakeholders with the most material impact on implementing our Group strategy and how we engage with them are:

	SHAREHOLDERS	EMPLOYEES	SUPPLIERS	CLIENTS
STAKEHOLDER NUMBERS	**9 597**	**262**	**2 357**	**4 907**
VALUE CREATED OR DISTRIBUTED	**R211 MILLION**	**R269 MILLION**	**R3 278 MILLION**	**R6 473 MILLION**
NATURE OF RELATIONSHIP	The providers of the Company's share capital and the primary financial risk-takers within the business.	Individuals of varying nationalities and qualifications with relevant logistics, supply chain and administrative experience, employed across the Group to service clients and provide support functions.	A global panel of specialised external service providers who are utilised to support our solution to convey clients' products from source to destination via sea, air, road and rail.	Corporate entities of varying sizes across diverse industry sectors that are primarily manufacturers and retailers utilising foreign-sourced products or exporting products to foreign clients.
STAKEHOLDERS' NEEDS	The generation of sustainable, above-market returns through capital appreciation, together with ongoing communication on the Company's performance - all underpinned by the appropriate levels of corporate governance.	Career and personal development in a quality work environment within a successful and stimulating organisation, that ensures job security and appropriate reward for performance.	An ongoing and commercially viable supply of shipping, transport, and warehouse service orders from the Group on behalf of Santova's clients.	Supply chain optimisation through the efficient, timeous and cost-effective flow of products from source to destination – thereby meeting specific client service requirements and adding value and competitive advantage to their organisation.
HOW WE ENGAGE	Formal, published communications via stock exchange announcements, annual reports, advertorials, the Group website, shareholder meetings, investor presentations and in the press.	Ongoing formal and informal engagement managed primarily by the Group's Human Resources ("HR") and Business Unit ("BU") Leaders to ensure employees receive the necessary guidance, motivation, feedback and recognition.	Upfront, formal service level agreements followed by daily, electronically communicated shipping, transport and warehouse service orders - together with ongoing updates on key supply chain data and timing.	Agreed and documented terms, tariffs and operating procedures, supplemented by daily, system-based and interpersonal communication, related to specific shipping instructions and ongoing reviews of client service levels.
ASSOCIATED SIX CAPITALS	Financial Capital	Human Capital	Human Capital, Social and Relationship Capital	Human Capital, Intellectual Capital, Social and Relationship Capital
RELATED SANTOVA STRATEGIC INITIATIVES	Growth (Organic and Acquisitive)	Intellectual Capital (Talent Pool)	Intellectual Capital (Executing at High Standards)	Innovation (Technological and Supply Chain)

HOW WE CREATE AND DISTRIBUTE VALUE

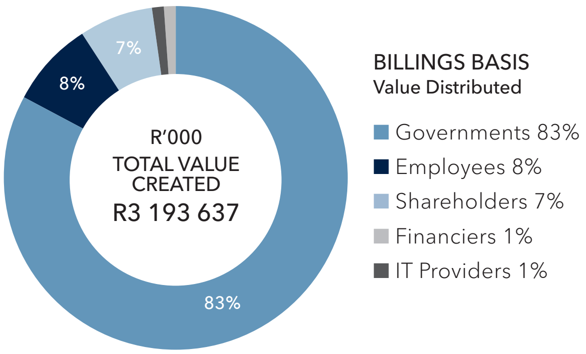
The difference between Billings and Revenue value creation:

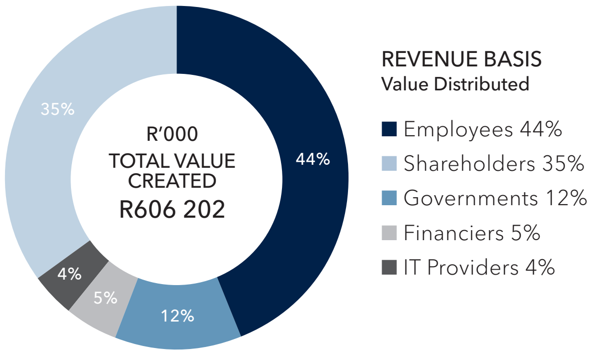
Santova generates value through the co-ordination and control of the transportation of clients' goods across the entire global supply chain from source to destination, in a timely and cost-efficient manner. To achieve this the Group utilises the physical logistics resources and capabilities of specialised external logistics providers, together with the intellectual capacity of our staff and leading in-house developed IT systems.

In creating this value for our key stakeholders, the Group acts as an agent on behalf of our clients by contracting for services from our suppliers and paying for those services on behalf of the clients.

As a result of this, a meaningful evaluation of the value we create and distribute is best described in two ways:

- **Billings Basis** - where we show how the total recoverable costs incurred on behalf of and recovered from our clients and the direct revenue earned by the Group, are created and distributed; and
- **Revenue Basis** - where we show how only the direct revenue earned by the Group is created and distributed.





BILLINGS

VALUE CREATED

On a billings basis, total value created is demonstrated by adding our direct revenue to the costs that the Group incurs and recovers as an agent on behalf of our clients. These costs are primarily customs Value Added Tax ("VAT") and duties (in SA) and various transportation costs.

VALUE DISTRIBUTED

On a billings basis, the value distributed identifies the significant, legally enforced role that the Group plays as a collection agent on behalf of revenue authorities, principally in SA. It does so through the collection from clients and bulk payments to revenue authorities, of customs-related VAT, taxes and duties.

REVENUE

VALUE CREATED

On a revenue basis, the total value we create is through the direct revenue earned by Santova when acting as an agent on behalf of our clients and is primarily made up of various agency and logistics-related fees and commission earned.

VALUE DISTRIBUTED

The value distributed on a revenue basis highlights the Group's non-asset based operating model and demonstrates the key role that our employees play in implementing its strategy by being the primary benefactors of value distributed, through the payment of fixed and variable remuneration.

	2023			
VALUE ADDED STATEMENT	Billings Basis R'000	%	Revenue Basis R'000	%
Billings to clients (includes Gross Billings + Other Income items)	6 472 601		-	
Revenue from clients	-		716 269	
Paid to suppliers	3 278 964		110 067	
Value Created	3 193 637		606 202	
Value created - per employee	12 189		2 314	
Employees	268 833	8	268 833	44
Governments	2 658 452	83	71 017	12
Financiers	28 204	1	28 204	5
IT providers	24 739	1	24 738	4
Shareholders	213 409	7	213 409	35
Value Distributed	3 193 637	100	606 202	100
Value distributed to employees - per employee	1 026		1 026	

OUR INVESTMENT CASE

Santova aims to create value for shareholders as they are the primary providers of capital to the Group. As a South African listed entity, value per share is a more accurate measure of value as opposed to profit figures or share price.

HIGHLY ENTREPRENEURIAL CULTURE
- Thrives on change and is driven by innovation
- Flexible and highly adaptable to a changing environment

NON-ASSET BASED BUSINESS MODEL
- Specialist provider of innovative global trade solutions
- Utilises a non-asset based framework that has a variable cost structure
- Can be easily and quickly adjusted to meet unexpected challenges

NEXT GENERATION TECHNOLOGY
- Continually embraces and leverages off innovative technology
- Optimises customer experience and client engagement
- Streamlines and automates operational processes
- A common global operating platform and multidimensional interfaces with third parties

INTERNATIONAL SOLUTIONS
- Manages a global network of interconnected activities for multinational organisations from origin to point-of-consumption
- Allows the Group to duplicate logistics revenue streams at both ends of the supply chain
- Competitive from a cost and service perspective in each territory

GLOBAL TALENT POOL
- Cultivates high calibre employees across the globe who 'live' the Group's Culture and Values
- Employees attuned to the Group's entrepreneurial Culture and knowledge-intensive business model

STRATEGIC DIVERSIFICATION
- Diversified in terms of geographies, currencies, industries, products, trade routes and services
- Creates a hedge against unexpected 'regional risks'
- Allows the Group to capitalise on opportunities that may present themselves globally

Santova's Investment Case must be considered in the context our entire **2023 Reporting Suite**, which includes the **AIR**, **AFS** and **S&E Report**.

OUR COMPETITIVE POSITIONING

Santova operates in highly competitive markets both regionally and internationally. Santova positions itself as a truly outsourced, non-asset based business delivering innovative trade solutions through unrivalled technologies and intellectual capital. As a result, the Group competes internationally across multiple levels and in various sectors within the logistics industry and as such, a direct comparison of Santova to any one specific sector or level would be inaccurate.

Santova competes across certain aspects of all the following sectors within the logistics industry:

- Regional Third-Party Logistics Providers ("3PL")
  These are typically local clearing and forwarding agents without international infrastructure, whose business models are traditional and who make little to no use of technology and modern supply chain methodologies.
- Fourth-Party Logistics Providers ("4PL") and International Lead Logistics Providers ("LLP")
  These are typically large multinational logistics providers listed on major international stock exchanges with extensive global asset-based infrastructures and intelligent business models, who focus on large multinational corporations as clients.
- Supply Chain Consulting Organisations
  Specialist supply chain consulting organisations who consult and generate revenue on a project and time basis from large corporations, but do not directly supply any traditional clearing and forwarding services.
- The JSE Transportation Sector
  By virtue of being listed on the JSE, the Group is typically compared to other listed organisations within the transportation sector. However, a meaningful comparison is difficult due to the fact that our peers within the sector are typically asset-based entities and/or more focused on local landside logistics and therefore are not necessarily direct competitors.

OUR KEY DIFFERENTIATORS

GLOBAL

An **international infrastructure** that provides local representation and strong capabilities in key trade centres.

SOLUTIONS

International solutions through competitive **non-asset based international logistics products and services**.

INTELLECTUAL CAPITAL

Intellectual capital enabling a **multidimensional, innovative approach** to international trade.

TECHNOLOGY

Intelligent cloud-based technology and management information systems.

OUR OPERATING ENVIRONMENT

INTERNAL OPERATING ENVIRONMENT

Our Internal Operating Environment ("IOE") consists of all the internal factors or 'forces' that have a direct impact on the day-to-day activities of the Group.

These are explained throughout the 2023 **AIR**, AFS and S&E Report, however, they are more specifically demonstrated in the following sections of the reports set out below with corresponding page numbers alongside:

2023 AIR

2023 S&E REPORT

EXTERNAL OPERATING ENVIRONMENT

Our External Operating Environment ("EOE") consists of all the factors or 'forces' outside the reach of the Group that can affect the Group's operation.

These are explained by examining the context in which the global logistics industry operates and is characterised by the following:

- **Borderless and integrated world economy** - A market environment driven by globalisation and technological advancements.
- **Multiple markets and territories** - Clients source and procure products and raw materials worldwide and distribute their end products into multiple markets and territories.
- **Sophisticated operational supply chain solutions** - Clients require sophisticated operational and logistics supply chain solutions across multiple geographies and jurisdictions to facilitate their global trade.
- **Evolving client expectations** - Clients expect shipments to be delivered faster, at a lower price, with flexibility and with a higher degree of transparency.
- **High degree of fragmentation** - Many participants within the logistics industry are transactional or commoditised, have low barriers to entry or exit and are characterised by fragmentation, low margins and high competition.
- **Technology reshaping the logistics industry** - The Internet of Things ("IoT"), blockchain, data analytics, 3-D printing, Artificial Intelligence ("AI"), drones and robotics are all contributing to the transformation of the logistics industry. The focus is now on driving digital transformation through the application of new technologies to further optimise internal business processes, including communication, self-service booking processes, cloud-based data management, automated reporting and documentation, real-time analytics, as well as order tracking and inventory management.

The factors outlined above as well as other forces impacting our EOE are further demonstrated in the following sections of the reports below:

2023 AIR

2023 S&E REPORT

HOW WE MANAGE RISK

Santova undertakes disciplined and proactive risk management, which forms a central part of its overall corporate governance structure. This is achieved through a structured and continual Risk Management Process, supported by Risk Tools, within the overall Risk Management Framework.

Santova's Risk Management Objectives guide the Group to proactively calculate uncertainties and predict their effect on business to reduce both the possibility of a risk occurring and its impact. These objectives are achieved through the Santova Risk Management Process, which encompasses the identification, analysis and response to risk with the assistance of the Risk Tools.

RISK MANAGEMENT OBJECTIVES

These have been set within the ambit of the goals set out in King IV™ and include the below:

CREATE	an awareness and understanding of risk.
	a culture of risk management accountability at all levels within the organisation.
IDENTIFY	risks completely and capture these risks in Santova's Risk Register.
	Santova's Risk Tolerance, which will allow for the achievement of strategic and business objectives.
ENGAGE	risks and manage them effectively within the Risk Tolerance parameters.
	risk management as part of the normal operations, which includes linking risks to controls.
COMPLY	with appropriate risk management practices.
	with corporate governance guidelines and relevant codes of good practice.

KING IV™

The Board has assumed responsibility for risk governance and in terms of Principle 11 read with Principles 4, 8 and 10, the Board has:

ESTABLISHED	the approach and strategy to risk governance within the Group where risk is an integral part of decision-making and adherence to roles and duties;
STIPULATED	the Group's Risk Policy, which defines the Risk Management Objectives, Risk Management Framework, Risk Management Process and clarifies the concept of the Group's Risk Tolerance;
DELEGATED	the implementation and execution of effective risk management to Management through its Risk Management Framework; and
OVERSEEN	the management of risk within the Group and participated in the rating and assessment of the Group's Key Inherent Risks, an extract of which is disclosed on page 12 of this report.

RISK TOOLS

The following Risk Tools are used in the implementation of the Risk Management Process to achieve the Risk Management Objectives:

TOOL	PURPOSE	FUNCTION
RISK MANAGEMENT FRAMEWORK	The Framework is made up of all role players who manage risk and implement the Risk Management Process. This includes Management and the various Group Committees and is ultimately overseen by the Board. A graphical representation of the framework can be viewed in the "Governance Review" on pages 30 to 33 of this report.	The Framework applies the Risk Management Process, embeds risk principles and instills a 'risk culture' into daily operations. The usage of the Committees within the Framework allows for the contribution by specialist role players and also draws on external assurance provided by external role players who support these Committees.
RISK MANAGEMENT COMMITTEE	This is the Committee to which the Audit and Risk Committee has delegated the daily oversight of the Risk Management Process for all areas of risk. The Committee met on three occasions during the past financial year and is made up of the following role players: Group CEO, Group Financial Director, Group Legal Advisor (Chairman), Group Financial Manager (Secretary), Santova Logistics (SA) Financial Director ("FD"), Legal Advisor, the Santova International Trade Solutions Divisional Executive and the Santova Logistics KZN Regional Head.	The Committee interacts directly with Management (and, where appropriate, employees of all levels) to ensure the complete implementation of the Risk Management Process.
RISK INBOX PROCESS	This process allows any employee to identify and communicate a risk to the Risk Management Committee via a dedicated email address.	Whilst this opportunity is always available for any employee, the Secretary of the Risk Management Committee also communicates with top, senior and certain middle management to encourage and discuss risk observations.
RISK REGISTER	This is the complete register of all identified Santova risks, captured into three main components, namely: Basic Risk Information, Risk Assessment and Risk Response Information.	The Risk Register facilitates and provides the complete record of the Risk Management Process implemented by the Risk Management Framework.

RISK MANAGEMENT PROCESS

The Santova Risk Management Framework manages risk by using this specific risk management cycle:

DEFINITION OF KEY CONCEPTS

INHERENT RISK	PERCEIVED CONTROL EFFECTIVENESS	RESIDUAL RISK
The impact and probability of risk, arising out of circumstances or existing in an environment, in the absence of any action to control.	The rating by Management of the effectiveness of the current controls.	The portion of the risk that remains after current controls have been implemented.

OUR KEY INHERENT RISKS

The key material inherent risks of the Group are set out in the table below. The risks are described, the potential impact on value creation is explained and the risk response (mitigation) is then detailed.

NO.	PRIMARY RISK CATEGORY	RISK SUB-CATEGORY	KEY RISK DESCRIPTION	POTENTIAL IMPACT ON VALUE CREATION	RISK RESPONSE AND MITIGATION
1	FINANCIAL	Economic	Risks associated with current economic, environmental and socio-political instability both within SA and internationally.	**Weakening of the Group's financial stability and profitability due to:** • Violence/terrorism, nationalisation; • Looting/civil unrest, bribery/corruption, hyperinflation; • Greylisting of banks; • Currency weakness manifested in decreases in trading volumes; • Reducing margins; • Increased funding costs; • Increased operational costs; • Cash flow issues due to bad debts, increased interest rates and supplier force majeure; • Unreliable/unsafe/underperforming government institutions (including ports' authorities and police enforcement); • Underperforming/biased legal systems/judiciary; and • Emigration of talent to safer jurisdictions offshore.	• Maintain close relationships with clients, banks, credit underwriters and government institutions necessary for trade; • Continually monitor sources of information on industry and country trends; • Continue to diversify the business in terms of geographies, currencies, services/products, industries and trade routes; • Develop backup plans and alternatives to controllable risks; and; • Anticipate and control the elements that are controllable and develop natural hedges against these risks by expanding offshore offices in multiple jurisdictions.
2	STRATEGIC	Competitive	Risks associated with pricing/tariff pressure from competitors lowering margins.	Potential loss of profit and clients due to loss of margins.	• Ongoing monitoring of margins and client financial analysis; • Gradual building of volumes and market share to lower buying rates and in turn selling rates; • Internal processes and experience when dealing with clients approached by competitors; • Focus on business model and value-add so as to make the Group less likely to lose a client solely due to a quoted rate; • General measures to steer clients away from the 'rates chase' towards a broader service offering; and • Staff awareness and training of staff in modern supply chain theory.
3	OPERATIONAL	People/ Human Resources	Risks associated with succession. Reliance on key personnel and/or a lack of depth at senior management level.	Potential loss of profit due to business interruption and temporary lack of leadership. Likely additional costs of recruitment. Remaining senior management being 'stretched' and having to focus on problem areas to the detriment of the greater part of the business. Potential loss of client base due to poor servicing and failure to maintain relationships.	• Personal development initiatives at all levels of management to bolster and broaden the leadership base; • Clear key performance indicators (which includes backup and quality control of colleagues), performance development reviews and regular performance coaching of management, to promote a 'team spirit' culture that will support management when capacity is limited; • Move away from traditional emphasis on formal structures and hierarchy to a more consultative, collaborate effort with limited barriers and fewer key personnel; • Growth and development of senior leadership within smaller regions to assist in the leadership of those regions; • Continued development of the global executive forum to provide support to leadership regardless of region size; and • Growth of the management teams at all levels and growth of the various management forums to alleviate succession 'bottlenecks'.
4	OPERATIONAL	People/ Human Resources	Identifying, recruiting and maintaining the right talent.	Ineffective recruitment policies and procedures, lack of/poor incentivisation/recognition, failure to maintain competitive remuneration policies and lack of internal growth paths. Inadequately qualified, inexperienced employees or demotivated employees resulting in inefficient operations, loss of revenue, loss of employees to other organisations and loss of clients.	• A formalised interview process with detailed, practical training of interviewers; • Implementation of an enhanced performance development review process (with clearly defined and achievable key performance indicators) to better manage internal performance; • Performance coaching/training of senior management; and • Carefully structured remuneration packages and bonus and incentive structure (remuneration mix) to promote employee 'stretch' and inspire employees to go 'above and beyond'.
5	OPERATIONAL	IT	Risks associated with failures in communicating with business-critical IT operating systems/software.	Includes failures of the cloud-based systems themselves or due to failure of WLAN networks, lack of backup lines and bandwidth, software issues, poor system performance, unauthorised access/ breach of security, hacking, viruses, inadequate IT support skills and any IT system failures resulting in an inability to operate business software, loss of clients, loss of revenue and reputational damages.	• Invest in capital expenditure on new hardware and software; and • Ensure closer and more direct management of associated risks by the Group's IT Risk Management and Steering Committee in consultation with the Risk Management Committee.

On the next page, we cross reference the above risks with core focus areas, strategic initiatives, the six capitals and stakeholders, to provide greater context for each risk.

The table below illustrates the extent to which each of our current five Key Inherent Risks, as detailed on the previous page, are linked to the identified core focus areas of our risk categories, strategic initiatives, six capitals and key stakeholders:

	CORE FOCUS AREAS	RISK NO.				
RISK CATEGORIES	STRATEGIC	1	2			
	FINANCIAL	1	2			
	OPERATIONAL	1	2	3	4	5
	LEGAL AND COMPLIANCE	1				
STRATEGIC INITIATIVES	ORGANIC - GROWTH	1	2			
	ACQUISITIVE - GROWTH	1		3	4	
	TECHNOLOGY - INNOVATION			3	4	5
	SUPPLY CHAIN - INNOVATION		2	3	4	5
	EXECUTION - INTELLECTUAL CAPITAL			3	4	5
	TALENT POOL - INTELLECTUAL CAPITAL	1		3	4	
	DIVERSIFICATION	1	2			5
SIX CAPITALS	INTELLECTUAL CAPITAL	1	2	3	4	5
	HUMAN CAPITAL	1		3	4	
	SOCIAL AND RELATIONSHIP CAPITAL	1	2			
	FINANCIAL CAPITAL	1				
	MANUFACTURED CAPITAL	1				
	NATURAL CAPITAL *(not material)*	1				
STAKEHOLDERS	SHAREHOLDERS	1	2			5
	EMPLOYEES	1		3	4	
	FINANCIAL INSTITUTIONS *(Bankers and Credit Underwriters)*	1				
	CLIENTS	1	2	3	4	5
	SUPPLIERS *(Operational Suppliers, Agents and IT Service Providers)*		2	3	4	5
	GOVERNMENT AND REGULATORS	1				
	COMMUNITIES	1				

OUR STRATEGY

In consideration of the Group's Vision and Purpose, together with the Group's Internal and External Operating Environment, Key Differentiators, Inherent Risks and Competitive Positioning, the Group has set four ongoing medium to long-term initiatives:

1 GROWTH

To achieve consistent year-on-year ("YOY") growth in revenue and profitability through a balanced combination of organic growth and selective acquisitions.

1. Organic growth:
   - New clients
   - New trade routes
   - New services and products
2. Acquisitive growth:
   - 'Bolt-on' acquisitions
   - Strategic acquisitions

2 INNOVATION

1. **Technological innovation: leveraging off next generation technology.**
   To continually invest and further develop the Group's Information Technology to provide clients with meaningful information and data – allowing them to achieve a competitive advantage and, in so doing, ensuring long-term client retention.
2. **Supply chain innovation: utilising a knowledge-intensive business model.**
   To continually invest in and grow the Group's supply chain solutions' resources and capabilities both locally and internationally.

3 INTELLECTUAL CAPITAL

1. **Executing at high standards, quickly and intelligently.**
   To leverage off industry best practice and to continually drive operating efficiencies and consistency of systems and procedures across all regions, ensuring free flow of intellectual capital and accurate data based decision-making.
2. **Talent pool: investing in and cultivating intellectual capital.**
   To establish Santova as a 'preferred employer' within the logistics industry thereby attracting and retaining appropriately skilled and experienced employees.

4 DIVERSIFICATION

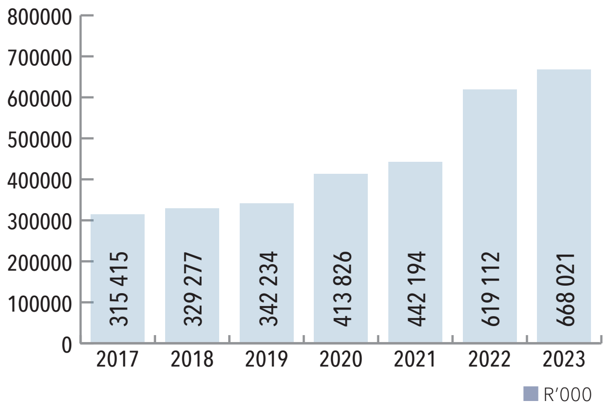
Relentless diversification of the business, including:

- Geographies
- Currencies
- Services
- Products
- Industries
- Trade routes
- Human Capital

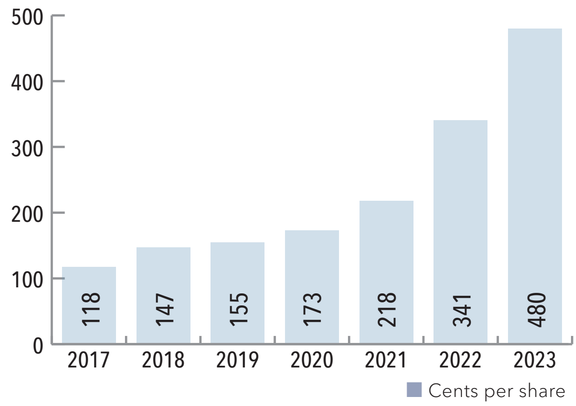
HOW WE PERFORMED against key indicators

		2023	2022	Movement
STRATEGIC INITIATIVES				
Growth				
Billings	R'000	**6 424 353**	6 418 867	0,1%
Revenue after net interest income	R'000	**668 021**	619 112	7,9%
Profit before tax	R'000	**280 642**	224 456	25,0%
Headline earnings per share ("HEPS")	cents	**154,83**	126,81	22,1%
Net cash generated from operating activities	R'000	**275 129**	114 637	140,0%
Total assets	R'000	**1 799 969**	1 638 764	9,8%
Capital and reserves	R'000	**1 002 876**	765 847	30,9%
Total interest-bearing debt	R'000	**257 874**	280 095	(7,9)%
Tangible net asset value ("NAV") per share	cents	**480**	341	40,8%
Innovation				
IT development and overhead expenditure	R'000	**24 739**	17 542	41,0%
Total employment related costs	R'000	**268 833**	261 770	2,7%
Efficiency and Effectiveness				
Billings to revenue margin	%	**10,4%**	9,6%	0,8%
Operating margin	%	**43,0%**	37,0%	6,0%
Effective tax rate	%	**24,9%**	24,2%	0,7%
Interest cover	times	**45,0**	48,9	(3,9)
Return on equity	%	**23,8%**	24,6%	(0,8)%
Debtor days	days	**38,4**	41,7	(3,3)
Net debt equity ratio	%	**(23,3)%**	1,2%	(24,5)%
Diversification				
Number of countries	number	**11**	10	1
Number of offices	number	**22**	20	2
Total staff	number	**262**	245	17
Percentage of profits generated offshore	%	**72,7%**	82,6%	(9,9)%

REVENUE AND NET INTEREST INCOME



TANGIBLE NAV PER SHARE



SIX CAPITALS

As explained in more detail in Our Approach to Reporting on page 1 of this **AIR**, our **2023 Reporting Suite** encompassed by the **AIR**, **AFS** and **S&E Report** sets out our performance in the following categories: economic, governance, financial and environment. Our reports may be considered from a 'capitals' perspective by considering the below table, which demonstrates the 'capitals' used by Santova to create value:

	INTELLECTUAL CAPITAL	HUMAN CAPITAL	SOCIAL & RELATIONSHIP CAPITAL	FINANCIAL CAPITAL	MANUFACTURED CAPITAL	NATURAL CAPITAL
DESCRIPTION	• In-house developed Supply Chain capabilities and IT resources and software	• Group employees' skills, knowledge and experience	• Relationships between Group and Stakeholders	• Funding supplied by Shareholders, Bankers and Creditors	• Global infrastructure of offices and equipment	• Office-based usage of water, energy, land and carbon emissions
ASSOCIATED STAKEHOLDERS	• Employees • IT Service Providers • Clients	• Employees • Suppliers • Clients	• Shareholders • Employees • Clients • Agents • Suppliers • Governments / Regulators • Communities	• Shareholders • Financial Institutions / Bankers • Credit Underwriters • Creditors	• Suppliers • Employees • Communities	• Governments / Regulators • Suppliers • Communities
ASSOCIATED STRATEGIC INITIATIVES	• Innovation (Technological) • Innovation (Supply Chain) • Diversification	• Innovation (Talent Pool) • Intellectual Capital (Executing at High Standards) • Growth (Organic)	• Diversification • Intellectual Capital (Executing at High Standards) • Growth (Organic)	• Growth (Acquisitive) • Growth (Organic)	• Diversification • Growth (Acquisitive) • Growth (Organic)	• Diversification • Growth (Acquisitive) • Growth (Organic)
LOCATION IN ANNUAL INTEGRATED REPORT	• Vision and Purpose • Our Business Model • Our Key Relationships • Our Investment Case • Our Key Differentiators • How We Manage Risk • Our Key Inherent Risks • Our Strategy • Chairman's and Chief Executive Officer's Review • Governance Review	• Who We Are • Our Culture and Values • Where We Operate • Our Business Model • Our Key Relationships • How We Create and Distribute Value • Our Key Differentiators • How We Manage Risk • Our Key Inherent Risks • Our Strategy • Chairman's and Chief Executive Officer's Review • Who Governs Us • How We Remunerate	• Our Culture and Values • Our Business Model • Our Key Relationships • How We Create and Distribute Value • Our Investment Case • Our Key Differentiators • How We Manage Risk • Our Key Inherent Risks • Our Strategy • Chairman's and Chief Executive Officer's Review • Shareholder Information	• Our Business Model • Our Key Relationships • How We Create and Distribute Value • Our Investment Case • Our Competitive Positioning • Our Strategy • How We Performed (Financial Highlights) • Group Financial Review • Shareholder Information	• Where We Operate • How We Create and Distribute Value • Our Business Model • Our Competitive Positioning • Our Key Differentiators • Our Strategy • Chairman's and Chief Executive Officer's Review • Group Financial Review	• Where We Operate • Our Business Model • How We Create and Distribute Value
LOCATION IN SOCIAL AND ENVIRONMENTAL REPORT	• Human Resources • Training and Skills Development • COVID-19, HIV/AIDS and Other Diseases • Quality	• Human Resources • Wellness • Training and Skills Development • Skills Development Programmes • Employment Equity • Health and Safety • COVID-19, HIV/AIDS and Other Diseases	• Human Resources • Training and Skills Development • Skills Development Programmes • Employment Equity • Broad-based Black Economic Empowerment • Corporate Social Investment • Health and Safety • COVID-19, HIV/AIDS and Other Diseases • Environment	• COVID-19, HIV/AIDS and Other Diseases	• COVID-19, HIV/AIDS and Other Diseases • Environment	• COVID-19, HIV/AIDS and Other Diseases • Environment
LOCATION IN ANNUAL FINANCIAL STATEMENTS (Includes Audit & Risk and Social & Ethics Committees' Reports)		• Social and Ethics Committee Report	• Social and Ethics Committee Report	• Annual Financial Statements • Audit and Risk Committee Report	• Annual Financial Statements (Segment Report)	
PREDOMINANT INFLUENCING KING IV™ PRINCIPLES	4, 11, 12	1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15	1, 2, 3, 4, 5, 9, 11, 13, 14, 15, 16	4, 5, 11	4, 11	3, 4, 11, 13

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S REVIEW

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

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

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

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

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

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

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

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

AFRICA

SA's socio-eco-political and governance challenges, corruption vulnerabilities, and the unprecedented energy crisis, continue to weigh on economic growth and the financial performance of businesses in SA, particularly in the logistics sector. However, whilst many South African businesses struggled in the face of these difficulties, and 'rationalisation' and/or consolidation strategies were common, the Group leveraged off its continued investment in 'future capabilities'. With businesses, more so than ever before, placing greater priority on innovation, international intellectual capital and technological advancements, the Santova Group was extremely successful in acquiring an extraordinary number of quality new clients, which surpassed the previous year's impressive gain.

The technological operationalisation of strategy and a unique business model, together with significantly diversified geographical operations, demonstrated resilience in the face of macroeconomic challenges. The ability and benefits accompanying the transferability of intellectual property across geographies once again proved a competitive advantage.

EUROPE

The Group's operations in both Germany ("DE") and the Netherlands ("NL") have delivered impressive earnings in the face of headwinds. With freight rates having come off notably from the previous year, and consumers and businesses continuing to battle high energy costs and rising core inflation, the erosion of households' purchasing power impacted on trade volumes. The tightening in monetary policies also weighed on business activity and trade volumes.

Despite the momentum in the first six-month period abating in the second six-month period, our operations in Europe held their ground when confronting these difficulties. Whilst the NL might find it challenging to deliver YOY growth in the coming year, DE has the opportunity to deliver the regional growth required. However, this projection is made in the context of Europe avoiding a technical recession, a projected decline in inflation, and Russia's relentless war against Ukraine, not leading to unexpected dimensions. To date, Europe's economy is proving resilient in the face of the current turbulence.

UNITED KINGDOM

Our operations in the United Kingdom ("UK") delivered solid earnings growth, with NPAT increasing 53,3% from R38,2 million to R58,6 million. High energy prices, the rising cost of living and a tightening of monetary policy to curb rising inflation resulted in a difficult trading environment. In fact, output in the fourth quarter at 0% growth was still 0,8% below its pre-pandemic level, which contrasts with other major advanced economies that were well above their pre-pandemic levels. Retailers in the UK also reported reducing inventory levels due to reduced consumer demand.

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S REVIEW continued

Whilst our businesses that are dependent on the import of retail products were adversely impacted, those operations that focused on e-commerce and the export of scrap products and second-hand garments to the Middle East and Africa performed extremely well. However, we expect growth in 2023 to be a challenge in the face of reduced household real incomes and the impact of interest rate increases.

ASIA PACIFIC

The Asia Pacific ("AP") region remains an attractive growth zone. Despite Asia's rate of inflation rising above the central banks' targets last year, the weakening of the US dollar ("US$") and the hiking of interest rates by the central banks in Asia have helped Asian currencies rebound, which has eased pressure on domestic prices. With China ("CN") having strong trade and tourism linkages with Asia, the opening of CN in the latter part of last year also fuelled the rebound in levels of economic activity.

The International Monetary Fund's ("IMF") latest Regional Economic Outlook for Asia and the Pacific reports that, for every percentage point of higher growth in China, output in the rest of Asia rises by around 0,3 percent.[1] Accordingly, the IMF's chief economist recently stated that, "the fight against inflation is starting to pay off, but central banks must continue their efforts".[2]

The Group's operations in South-East Asia benefited from these increased levels of trade and posted an impressive growth in earnings, predominantly through project work. Australia ("AU") also delivered solid earnings growth through elevated levels of imports of both e-commerce and pharmaceutical goods. The shortages in health-related products at the onset of the COVID-19 pandemic aided the increased trade volumes.

The war in Ukraine has further raised geopolitical tension and going forward, trade will increasingly be driven by geopolitical rather than economic considerations. Tensions between Europe, the United States ("US") and CN are resulting in the Association of Southeast Asian Nations (ASEAN) countries and India becoming a preferred source of manufacturing and imports for both Europe and the US.

With the Group's current reliance on trade between CN and other global markets, the focus of the Group on ASEAN countries is in anticipation of policy pressure to relocate supply chains from CN to this region. However, whilst we are already witnessing these changes, the rate at which they will be rolled out will be slow due to the complexity, significant costs and technological challenges of relocating to these jurisdictions.

[1] *IMF Publication: Asia's Easing Economic Headwinds Make Way for Stronger Recovery. Krishna Srinivasan, Thomas Helbling, Shanaka J. Peiris, February 20, 2023.*

[2] *Global Economy to Slow Further Amid Signs of Resilience and China Re-opening. Pierre-Olivier Gourinchas, January 30, 2023.*

[3] *Forbes Advisor Article: E-Commerce Statistics of 2023. Anna Baluch, 8 February 2023.*

NORTH AMERICA

The United States of America ("US") has been a focus for the Group for the last five years but due to the premium the market attributes to logistics businesses, the price earnings multiples of target companies have not been conducive to the Group acquiring a business. However, an opportunity presented itself during the year and the Group acquired a small third-party logistics business, A-Link Freight Inc ("A-Link"). The business is based in Los Angeles ("LA"), not far from the LA International Airport ("LAX"), which is the seventh busiest commercial airport in the world and the third busiest in the US, with the Ports of LA and Long Beach accounting for 40% of shipping containers entering the US.

A-Link has been operating for over twenty years and provides the vehicle through which a business model that is more representative of the Santova Group, can be developed and rolled out to other regions within the US. As such, since its incorporation into the Group, we have recently opened a second 'grassroots' office in Chicago, Illinois.

Most importantly, A-Link's focus on daily consolidations from LA to AP countries (CN, HK, Macau, Japan, South Korea, Mongolia, Siberia, Taiwan, East Timor, Laos and other ASEAN countries) fits in well with the Group's strategic initiatives in this region.

While we are excited about the prospects of this new acquisition, the further development and significance of Santova in the US is going to require extraordinary effort, cost and time before the Group benefits from this large and robust market.

THE SEKIDA MARKET PLACE

To hedge ourselves through diversification and capitalise on a rapidly transitioning market to e-commerce sales, we have made the bold decision to introduce a new proposition to the market. In April 2023, the Group completed a 'soft launch' of Sekida, its e-commerce platform, which is designed to grow clients' sales, broaden service offerings, increase 'reach', and generate new revenue streams 24/7.

With the global e-commerce market expected to grow from US$6,3 trillion in 2023 to over US$8,1 trillion in 2026[3], Sekida was launched with the intention of capitalising off this fast-tracking transition in purchasing trends.

By coordinating businesses, networks and data, Sekida creates an ecosystem that is quicker, more intelligent and more effective than traditional business models. It provides a means through which a company can be transformed into a smart business that is better aligned to future trade. Sekida's global business-to-business ("B2B") portal is a digital marketplace for merchants and consumers, providing merchants access to new territories and markets by offering a streamlined online shopping experience and ensuring secure door-to-door delivery. Due to its global sourcing of goods, competitive prices, reliable logistics, secure payment facilitation and trade assurance, it is an ideal platform for B2B transactions.

OUTLOOK - THE YEAR AHEAD

It appears that the growth of the global economy will be slow this year before showing signs of a rebound early next year. However, despite the impact of inflation and Russia's war in Ukraine, the outlook is not without some level of optimism.

As inflation is expected to ease in Europe, wage growth is expected to increase, which together with low levels of unemployment, should result in an improvement in purchasing power and a recovery in sales volumes in the second half of 2023. The relatively low impact and rate of recovery can be attributed to a united and comprehensive policy response from the European Union ("the EU").

The ASEAN, on the other hand, is set to continue showing signs of recovery and growth. As CN re-opens its borders, a rapid rebound in economic activity in this region is clearly visible. The improvement in global financial conditions and the weakening of the US$ have together acted as a moderate stimulus to emerging and developing countries.

Our concern is still with the SA economy where the growth outlook remains subdued. Real gross domestic product ("GDP") growth is forecast at 0,9% in 2023, largely driven by structural constraints, ongoing power cuts, and a less supportive global environment. The negative fiscal thrust also contributes to this subdued forecast.

Whilst generally, economies have managed to avoid recession, strong headwinds prevail. Businesses are facing unprecedented long-term impact from the pandemic and the Russian invasion of Ukraine. With consumers spending more on services and the demand for goods faltering amidst high inflation, high interest rates, high energy prices, and economic weakness - the logistics industry looks set to face lower trade volumes during 2023.

CONCLUSION

More than ever, businesses and logistics businesses in particular, are subject to an increasingly varied and unpredictable environment that will require resilience built on agility, flexibility and adaptability. This will have to be facilitated through digitisation or access to data and digital technology that is purpose-built. To achieve this, the Group will continue to invest in higher skilled and technologically driven supply chain specialists who are adept at identifying and extracting the value from these newly implemented technologies. Additionally, the Group will continue to draw on outsourced IT talent, particularly for customising, integrating and onboarding of IT platforms.

Santova remains committed to our well-entrenched signature protocol of preserving the core, 'sweating' the assets, breaking new ground and generating new opportunities, which continues to hold us in good stead. However, we need to accept that in the currently unstable macroeconomic environment, this will result in increased cost structures in the short term with returns on these investments only being realised at a later stage. At all times though we will be governed by our Strategic Vision, IT roadmap, and most importantly, how expenditure can be more strategically managed from a cost and value perspective.

Finally, we need to accept that there will be ongoing volatility in foreign exchange rates, accompanied by relatively high inflation rates, high interest rates, and shortages in skilled labour. However, ceasing to invest both in the business internally and in new opportunities could have detrimental effects in the long term, as operating costs persistently rise as demand from a weakened global economy declines. As such, the Group must continue to relentlessly pursue advancements that will enable the continued improvement in operational efficiencies whilst simultaneously meeting client and consumer expectations effectively.

ACKNOWLEDGEMENT AND APPRECIATION

We have experienced another challenging yet exciting year. This 'new norm' is here to stay - characterised by unpredictability and prevailing uncertainty in the global socio-eco-political environment. As the world is constantly shifting and adapting, we are required to continually change and adapt to remain ahead of the game. Our colleagues have displayed a passion and faith in our Vision and Purpose, irrespective of the adversities and uncertainties in the immediate environment. For this, we would like to extend our appreciation and gratitude for their passion to excel and dedication to execute, without which we would not have been able to achieve what we, as a team, have achieved.

We would also like to pay tribute to Warwick Lombard, who sadly passed away on 1 November 2022. During his 14 years of dedicated and selfless service, Warwick's strong character was exemplified by his compassion, good sense of humour, strong sense of responsibility, respect for others, and his unwavering ability to remain objective and fair in all circumstances. It was these qualities, together with his vast experience and business acumen that contributed to the continued success of the Group.

To our fellow directors and executive management, congratulations on displaying reliance and fortitude in delivering another impressive set of results whilst 'living' the Culture, Values and philosophies that have held strong to progress our Vision and Purpose as a united front. It is our unique Santova Culture that will ensure we continue developing and evolving into a business that can excel in increasingly challenging trading environments.

Our acknowledgement and appreciation to our clients, suppliers, business associates and shareholders for their continued loyalty and support. Without such mutually beneficial partnerships, we would not have enjoyed the privilege of sustained growth over such an extended period. With your continued support, we look forward to once again overcoming challenges, exploring opportunities, and leveraging off possibilities as they present themselves in the coming year and into the future.

GROUP FINANCIAL REVIEW

While global markets remained volatile throughout the year with inflation, geopolitical tensions, rising interest rates and recessionary indicators weighing on economic activity, the Santova Group managed to achieve commendable growth for the year ending 28 February 2023, as the Group continued to benefit from its strategic diversification in both geographical presence and service offerings.

NET PROFIT INCREASED

23,8%

TO R210,7 MILLION

HEPS INCREASED

22,1%

TO 154,83 CPS

NAV INCREASED

34,4%

TO R7,51 PER SHARE

OPERATING MARGIN IMPROVED FROM 37,0% TO

43,0%

GROUP PROFITABILITY

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

The primary drivers of the growth in earnings are attributed as follows:

- Through strategic positioning, the Group was successful in securing competitive rates and scarce capacity in a highly disrupted market. This resulted in continued organic growth from existing clients and a record number of new clients having been secured in key regions;
- Consolidated revenue increased by 7,9%, primarily driven by the growth in Africa ("AF") (25,9%), Asia Pacific ("AP") (38,4%), the United Kingdom ("UK") (42,6%), as well as acquisitive growth relating to North America ("US") (1,6%). A decline in revenue in Europe ("EU") (19,8%) tempered the Group's overall revenue growth;
- The operating environment continued to benefit from the implementation of innovative technology with operating margin improving to 43,0% (2022: 37,0%); and
- The Group continued to buy back its own shares, having purchased 6,1 million shares on the open market at an average price of 773 CPS. The ongoing share buy-backs contributed to the reduction of the Weighted Average Number of Ordinary Shares ("WANOS") in issue to 136,1 million (2022: 138,7 million), however, with the majority of the buy-backs concentrated in the second half of the year, the full impact on HEPS will only be reflected in the next financial period.

Other relevant movements included:

- The Rand ("ZAR") continued to experience volatility against all foreign currencies in those regions in which the Group operates, with the average rate weakening against the Australian Dollar ("AUD") by 4,6%, the Hong Kong Dollar ("HKD") by 11,7% and the Singapore Dollar ("SGD") by 10,2%, while the Great British Pound ("GBP") and Euro ("EUR") remained relatively flat YOY, providing minimal uplift to earnings;
- Offshore earnings reduced to 72,7% (2022: 82,6%) largely due to the earnings growth of the South African ("SA") operations being proportionately higher than the growth in the offshore regions;
- Employee costs increased nominally as the Group continued to leverage off technology to drive operating efficiencies; and
- The effective tax rate increased to 24,9% (2022: 24,2%), with the rise largely due to the continued escalating profitability of the SA region, which remains one of the highest effective rates across the Group.

GROUP SUMMARISED CONSOLIDATED PROFIT OR LOSS		Audited 2023 R'000	Audited 2022 R'000	Movement %
GROSS BILLINGS		**6 424 353**	6 418 867	0,1
Revenue and net interest income		**668 021**	619 112	7,9
Other income		**26 429**	26 158	1,0
Depreciation, amortisation and impairment loss on non-financial assets		**(21 700)**	(29 181)	(25,6)
Administrative expenses		**(382 261)**	(380 984)	0,3
Impairment loss on trade receivables		**(3 817)**	(6 216)	(38,6)
Share of profit of associate, net of tax		**355**	250	42,0
Operating profit		**287 027**	229 139	25,3
Finance income		**370**	28	1221,4
Finance costs		**(6 755)**	(4 711)	43,4
Profit before tax		**280 642**	224 456	25,0
Income tax expense		**(69 980)**	(54 326)	28,8
Profit for the year		**210 662**	170 130	23,8
Other comprehensive income for the year, net of tax				
- Exchange differences arising from translation of foreign operations		**68 708**	(8 877)	(874,0)
- Remeasurements of post-retirement medical aid benefit liability		**-**	99	(100,0)
Total comprehensive income for the year		**279 370**	161 352	73,1
Attributable to:				
Owners of the Company		**279 327**	161 311	73,2
Non-controlling interests		**43**	41	4,9
		279 370	161 352	73,1
Key ratios:				
- Billings/revenue margin		**10,4%**	9,6%	0,8
- Operating margin		**43,0%**	37,0%	6,0
- Effective tax rate		**24,9%**	24,2%	0,7
- Interest cover	times	**45,0**	48,9	(8,1)
- Basic earnings per share	cents	**154,74**	122,60	26,2
- Headline earnings per share	cents	**154,83**	126,81	22,1
- Dividends per share	cents	**-**	-	-
- Return on equity		**23,8%**	24,6%	(0,8)
- Percentage offshore earnings		**72,7%**	82,6%	(9,9)
Average exchange rates:				
- GBP/ZAR		**20,23**	20,36	(0,6)
- Euro/ZAR		**17,41**	17,35	0,3
- AUD/ZAR		**11,51**	11,00	4,6
- SGD/ZAR		**12,14**	11,01	10,2
- USD/ZAR		**16,70**	15,39	8,5

GROUP FINANCIAL REVIEW continued

REGIONAL PERFORMANCE

AFRICA (AF)

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

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

EUROPE (EU)

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

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

UNITED KINGDOM (UK)

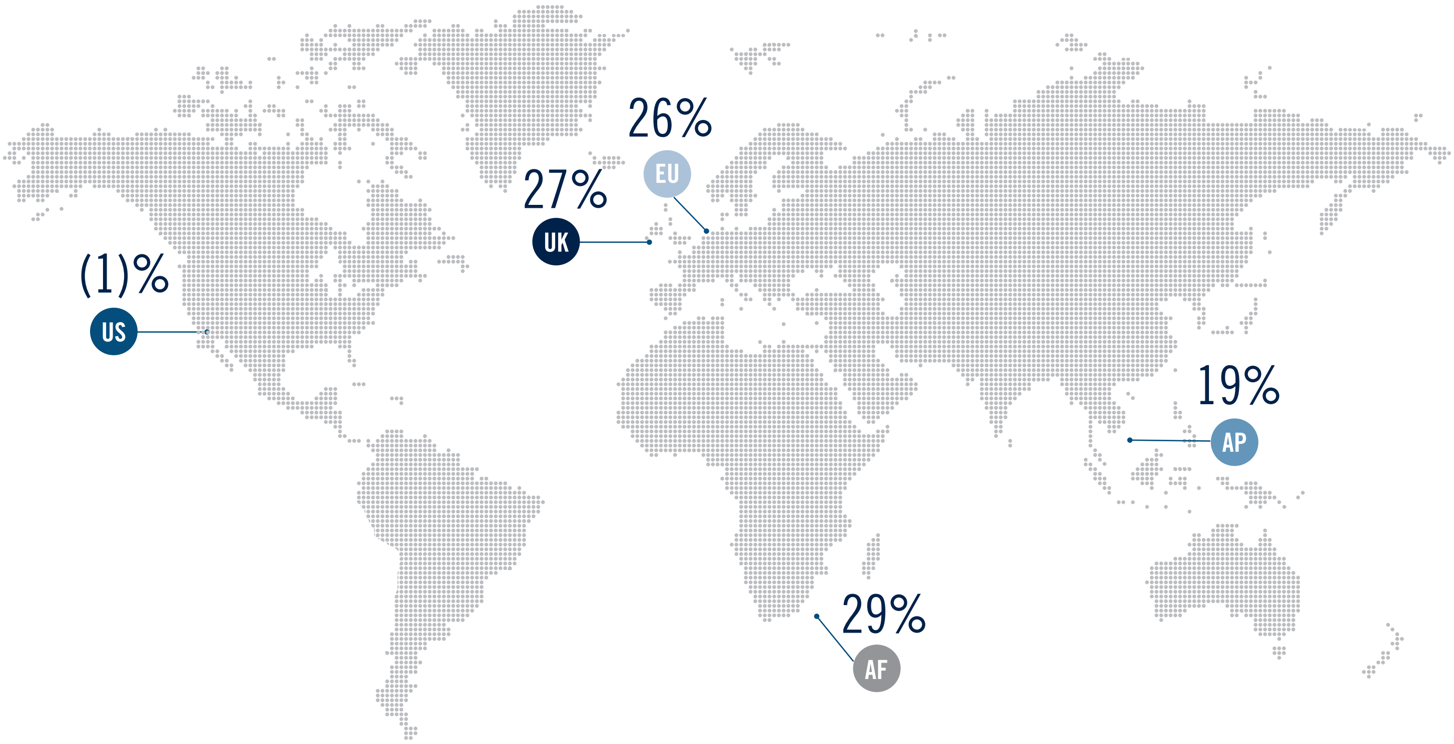
The UK continued to benefit from its diversified service offerings, increasing NPAT by 53,3% to R58,6 million (2022: R38,2 million) due to various factors, three of which are noted below:

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

ASIA PACIFIC (AP)

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

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



2023 LOGISTICS SERVICES PROFIT
BY GEOGRAPHICAL SEGMENT

- Africa (AF)
- United Kingdom (UK)
- Europe (EU)
- Asia Pacific (AP)
- North America (US)

	LOGISTICS SERVICES					
GEOGRAPHICAL INFORMATION	Africa R'000	United Kingdom R'000	Europe R'000	Asia Pacific R'000	North America R'000	TOTAL R'000
28 FEBRUARY 2023						
Gross billings	**3 286 932**	**1 535 136**	**1 141 457**	**1 029 434**	**63 640**	**7 056 599**
Percentage movement	*25,2%*	*(16,2)%*	*(30,7)%*	*(18,1)%*	*100,0%*	*(4,1)%*
Revenue and net interest income	**191 211**	**196 589**	**151 914**	**109 106**	**9 830**	**658 650**
Percentage movement	*25,9%*	*3,2%*	*(19,8)%*	*38,4%*	*100,0%*	*7,8%*
Operating profit	**86 774**	**72 959**	**75 131**	**52 184**	**(1 245)**	**285 803**
Percentage movement	*85,8%*	*54,0%*	*(24,8)%*	*49,5%*	*100,0%*	*24,9%*
Profit for the year	**63 095**	**58 629**	**56 004**	**42 412**	**(1 778)**	**218 362**
Percentage movement	*77,4%*	*53,3%*	*(23,4)%*	*46,4%*	*100,0%*	*24,1%*
Segment assets	**625 308**	**319 060**	**269 642**	**198 977**	**73 261**	**1 486 248**
Percentage movement	*11,3%*	*(18,1)%*	*0,3%*	*39,6%*	*100,0%*	*9,1%*
Segment liabilities	**356 429**	**142 887**	**134 941**	**65 845**	**51 083**	**751 185**
Percentage movement	*12,3%*	*(38,9)%*	*3,4%*	*(50,2)%*	*100,0%*	*(7,7)%*
Key ratios:						
Revenue/billings margin	**5,8%**	**12,8%**	**13,3%**	**10,6%**	**15,4%**	**9,3%**
Percentage movement	*0,0%*	*2,4%*	*1,8%*	*4,3%*	*15,4%*	*1,0%*

GROUP FINANCIAL REVIEW continued

FINANCIAL POSITION

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

Specific movements in balances and financial ratios include the following:

ASSETS

- Intangible assets increased by R63,7 million to R361,8 million (2022: R298,1 million) primarily due to the recognition of goodwill arising on the business combination with A-Link (R38,3 million) and the weakening of the ZAR, which resulted in the revaluation and increase of foreign subsidiary goodwill balances (R23,7 million);
- Trade receivables decreased by R56,7 million or 7,7% to R676,5 million, driven primarily by the decline in shipping rates in the second half of the year;
- The Group has continued to exercise caution by maintaining rigorous credit risk management procedures, with credit insurance cover placed in two additional regions during the year, facilitating a decrease in the allowance (provision) for credit losses by 10,0% to R40,6 million, which is proportionally more than the decrease in trade receivables; and
- Debtor days have reduced from 41,7 days in 2022 to 38,4 days in 2023, as a result of the continued focus on credit risk and working capital preservation.

CAPITAL AND RESERVES

- Capital and reserves increased by 30,9% to R1 002,9 million, primarily due to the ongoing profitability of the Group and the movement in foreign currency translation reserves. This resulted in tangible NAV per share increasing 40,7% from R3,41 in 2022 to R4,80 in the current year; and
- The Group continued to buy back its own shares, having acquired 6,1 million ordinary shares from the open market at an average purchase price of 773 CPS.

LIABILITIES

- Financial liabilities increased by R27,2 million to R29,3 million resulting primarily from the recognition of deferred (R12,9 million) and contingent (R16,1 million) consideration relating to the A-Link acquisition (refer to page 26);
- Interest-bearing borrowings decreased by 53,8% to R25,0 million (2022: R54,2 million) due to the full settlement of the loan from F. Heuer as well as the servicing of the Group's medium term loans;
- Trade payables decreased by R116,9 million or 35,4% as working capital requirements eased with the decline in shipping rates. The market has also seen significant pressure to reduce credit terms and while suppliers have been actively managed, creditor days reduced from 27,7 days in 2022 to 21,6 days in 2023; and
- Overdrafts and facilities increased by R7,0 million to R232,9 million (2022: R225,9 million), primarily relating to the invoice discounting facility in SA, which has increased in accordance with the increase in turnover for the region.

GROUP SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		Audited 2023 R'000	Audited 2022 R'000	Movement %
ASSETS				
Non-current assets		**439 366**	383 466	14,6
Property, plant and equipment		**18 014**	25 766	(30,1)
Right-of-use ("ROU") assets		**28 337**	36 330	(22,0)
Intangible assets		**361 841**	298 052	21,4
Investment in associate		**1 947**	1 592	22,3
Financial assets at fair value through profit or loss		**7 657**	6 571	16,5
Deferred tax assets		**21 570**	15 155	42,3
Current assets		**1 360 603**	1 255 298	8,4
Trade and other receivables		**856 152**	981 988	(12,8)
Current tax assets		**1 107**	724	52,9
Non-current asset held for sale		**9 130**	-	100,0
Loans receivable		**2 175**	-	100,0
Amount owing by related party		**71**	-	100,0
Financial assets at fair value through profit or loss		**-**	1 781	(100,0)
Cash and cash equivalents		**491 968**	270 805	81,7
Total assets		**1 799 969**	1 638 764	9,8
EQUITY AND LIABILITIES				
Capital and reserves		**1 002 876**	765 847	30,9
Non-current liabilities		**45 258**	47 636	(5,0)
Interest-bearing borrowings		**8 734**	22 380	(61,0)
Employee benefit obligations		**666**	758	(12,1)
Financial liabilities at fair value through profit or loss		**16 088**	-	100,0
Lease liabilities		**14 922**	24 487	(39,1)
Deferred tax liabilities		**4 848**	11	43972,7
Current liabilities		**751 835**	825 281	(8,9)
Trade and other payables		**440 437**	518 492	(15,1)
Current tax liabilities		**21 012**	21 171	(0,8)
Interest-bearing borrowings		**16 287**	31 811	(48,8)
Amount owing to related party		**-**	288	(100,0)
Financial liabilities		**13 189**	2 078	534,7
Lease liabilities		**15 850**	14 204	11,6
Provisions		**12 207**	11 334	7,7
Overdrafts and bank facilities		**232 853**	225 903	3,1
Total equity and liabilities		**1 799 969**	1 638 764	9,8
Key ratios:				
- Debtor days		**38,4**	41,7	(3,3)
- Creditor days		**21,6**	27,7	(6,1)
- Net debt to equity ratio		**(23,3)%**	1,2%	(24,5)
- NAV per share	(rands)	**7,51**	5,59	34,4
- Tangible NAV per share	(rands)	**4,80**	3,41	40,7
- Current ratio		**1,66**	1,64	0,0
- Number of shares in issue net of treasury shares		**133 555 821**	137 090 516	
Closing exchange rates:				
- GBP/ZAR		**22,19**	20,61	7,7
- Euro/ZAR		**19,49**	17,23	13,1
- AUD/ZAR		**12,38**	11,11	11,4
- SGD/ZAR		**13,64**	11,34	20,3
- USD/ZAR		**18,39**	15,39	19,5
Credit ratios:				
Credit loss allowance on trade receivables at year-end				
- Total amount		**40 627**	45 038	(9,8)
- Percentage of trade receivables		**5,67%**	6,14%	(0,5)
Trade receivables written off during the year				
- Total amount (net of recoveries)		**3 817**	6 216	(38,6)
- Percentage of trade receivables		**0,53%**	0,85%	(0,3)
Ageing of trade receivables				
- Total amount > 60 days past terms		**46 335**	36 389	27,3
- Percentage > 60 days past terms		**6,46%**	4,96%	1,5

GROUP FINANCIAL REVIEW continued

CASH ON HAND AND CASH FLOWS

Cash flows remained robust with cash and cash equivalents increasing by R221,2 million to R492,0 million (2022: R270,8 million). 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 value added tax ("VAT") and duties being paid on behalf of clients. Where a debtor settles early or late over the year-end close, this can have a material 'knock-on' effect that materially increases or decreases the reported cash generated.

Notable cash related items included:

- Cash generated from operations increased by 115,4% to R352,7 million (2022: R163,7 million) as working capital was returned as a result of the decline in shipping rates in the current year;
- Taxation paid increased by 60,4% to R71,9 million (2022: R44,8 million), which was consistent with the Group's increase in profitability;
- Interest-bearing borrowings of R30,6 million were repaid in the current year;
- R47,2 million in cash was utilised to repurchase 6,1 million of the Group's own shares from the open market. No dividend was declared in the current year as the Group continued to focus on its value-per-share strategy by seeking acquisitions and reinvesting surplus cash in buying back its own shares; and
- Foreign currencies accounted for 93,8% (2022: 95,1%) of total cash and cash equivalents with offshore funds being preserved in their source currency given the weakness of the ZAR, which resulted in a R47,1 million upward revaluation of foreign denominated currencies at year-end.

ACQUISITIONS

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

A purchase and sale agreement was concluded to acquire 100% of the share capital or assets of A-Link for US$2,35 million, effective 21 September 2022. The final warranty payment of US$1m was underwritten by warranted earnings before interest, taxes, depreciation and amortisation ("EBITDA") of US$1,2 million for the two years after the effective date. The total purchase price was funded in cash from existing resources. While the acquisition's impact on Group profitability was negligible for the reporting period, the Group is optimistic about the potential of A-Link and the broader opportunities for the Group in that region.

GROUP SUMMARISED CONSOLIDATED CASH FLOWS	Audited 2023 R'000	Audited 2022 R'000	Movement %
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	**352 671**	163 693	115,4
Finance income	**370**	28	1221,4
Finance costs	**(6 023)**	(4 257)	41,5
Tax paid	**(71 889)**	(44 827)	60,4
Net cash from operating activities	**275 129**	114 637	140,0
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment	**(3 958)**	(2 508)	57,8
Acquisition and development of intangible assets	**(3 242)**	(3 641)	(11,0)
Proceeds on disposals of plant and equipment	**153**	350	(56,3)
Advances to related parties	**(71)**	-	100,0
Advance of loans	**(2 175)**	-	100,0
Acquisition of a business	**(1 927)**	-	100,0
Net cash used in investing activities	**(11 220)**	(5 799)	93,5
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings	**-**	30 000	(100,0)
Repayment of interest-bearing borrowings	**(30 587)**	(7 662)	299,2
Payment of lease liabilities	**(16 096)**	(14 431)	11,5
Proceeds from issue of share capital	**4 494**	325	1282,8
Treasury shares acquired	**(47 170)**	(15 194)	210,5
Proceeds from related party loans	**-**	3	(100,0)
Repayment of related party loans	**(288)**	-	100,0
Settlement of contingent consideration	**(212)**	(18 294)	(98,8)
Net cash used in financing activities	**(89 859)**	(25 253)	255,8
Net increase in cash and cash equivalents	**174 050**	83 585	108,2
Effect of movements in exchange rates on cash held	**47 113**	(2 800)	(1782,6)
Cash and cash equivalents at beginning of year	**270 805**	190 020	42,5
Cash and cash equivalents at end of year	**491 968**	270 805	81,7
Net debt to equity ratio	**(23,3)%**	1,2%	(24,5)
Total cash on hand:	**100%**	100%	
- South Africa	**6,2%**	4,9%	1,3
- Offshore	**93,8%**	95,1%	(1,3)
Total funding facilities available	**488 804**	486 368	0,5
Total unutilised funding facilities	**230 930**	219 283	5,3

EVENTS AFTER THE REPORTING PERIOD

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

WHO GOVERNS US

INDEPENDENT NON-EXECUTIVE DIRECTORS

EDWARD (TED) GARNER (83)

CA (SA), MBA (UNISA), MSIA (Carnegie Mellon, USA)
Chairman
Appointed: 5 June 2008
Committees: A&RC, SEC, RC, **Chairman NC**

Ted is a Chartered Accountant ("CA") with a Masters of Business Administration ("MBA"). Most of his working career has been in the Tongaat Sugar company/Tongaat Hulett group, which he joined in 1967. He was appointed Financial Director of the Tongaat Hulett group in 1978 and in addition was Executive Chairman of various operating divisions of the group and Vice-Chairman of Triangle Sugar Corporation in Zimbabwe. Since his retirement from the Tongaat Hulett group in 2000, Ted has focused on various directorships and his business consultancy.

ERNEST NGUBO (58)

Pr Eng, BSc Eng Elec (Natal), NHD Eng Elec (DUT), Financial Management Diploma
Appointed: 25 February 2014
Committees: A&RC, NC, RC, **Chairman SEC**

Ernest is a founding member, shareholder and the CEO of Igoda Group. His career began as an apprentice electrician in 1984, working his way up through Technikon and later University studies. His engineering experience spans over various companies including Unilever, WSP and Transnet. Ernest has also practised as a consulting engineer for more than twenty years, specialising in industrial, commercial buildings and government infrastructural projects. He is a co-founder of the National Society of Black Engineers ("NSBE") and a former member of the regional committee of the Black Management Forum ("BMF"). He has served on various boards of private companies for more than fifteen years including Fluor Igoda (Pty) Ltd (Chairman) and Electrowave (Pty) Ltd.

MARK STEWART (60)

CA (SA)
Appointed: 9 December 2022
Committees: SEC, NC, **Chairman A&RC and RC**

Mark is a CA and Registered Auditor with IRBA. Mark joined BDO SA as a trainee accountant in 1985 and over the last thirty-seven years has gone on to hold senior partnership positions in the firm, including the National CEO role between 2014 and 2022, and has most recently accepted a role with BDO International as the Regional Director for Africa. He is also a member of the Institute of Directors and has previously held a non-executive position with a JSE listed company, various directorships in private entities and has served as a Trustee for several charitable organisations.

TAMMY WOODROFFE (47)

CA (SA)
Appointed: 2 March 2023
Committees: A&RC

Tammy is an Independent Tax Practitioner with a Masters in Taxation and over twenty years of corporate and international tax experience. Tammy is a qualified CA having completed her articles with KPMG in Durban. She was part of the KPMG tax team from 1999 until 2005 when she and a colleague started their own tax consultancy business focusing on corporate and international tax.

EXECUTIVE DIRECTORS

GLEN GERBER (60)

BA (Hons), MBA
Chief Executive Officer
Appointed: 1 February 2003
Committees: EXCO, RMC

Glen attained a Bachelor of Arts ("BA") Honours ("Hons") degree from Rhodes University in 1984 and, following completion of his compulsory national service, he then joined Integrated Business Information Systems (Pty) Ltd as a research and design manager (statistics and research methodology). On completing his MBA at the University of Pretoria, Glen made a strategic career change and joined Investec Group Ltd where he headed both the Northern Transvaal and later the KwaZulu-Natal ("KZN") operations for a continuous period of twelve years, going on to be appointed Divisional Director of Investec Private Bank in 1995. Upon his resignation from Investec Private Bank in 2002, Glen joined Santova and has been instrumental in the development of the Group over the last twenty years as CEO.

JAMES ROBERTSON (32)

CA (SA)
Group Financial Director
Appointed: 14 February 2023
Committees: EXCO, RMC, HSC

James qualified as a CA having completed his articles with Deloitte in 2016. James left Deloitte in 2017 to join a commodities trading business before taking a position as Group Financial Manager of a multinational private equity-backed Group providing food logistics and facilities services to various industries across fifteen countries internationally. James joined the Santova Group in 2021 as Group Financial Manager before being appointed as Group Financial Director in 2023.

ANTHONY (LANCE) VAN ZYL (49)

Appointed: 22 February 2011
Committees: EXCO

Lance started his freight career in 1993 as a consolidator with a medium-sized company specialising in import and export consolidations. He received 'in-house' training and worked through all the divisions, culminating in a managerial position. In 2001 he left the organisation to join Aviocean as General Manager and six months later, bought out his partner to acquire 100% of the business. Lance sold his interest in Aviocean to Santova in March 2010 and as a result, Lance was appointed a Director of Santova in February 2011.

PRESCRIBED OFFICERS

ANDREW LEWIS (44)
BCom, LLB, ACIS, CGC ₠-SA
Group Legal Advisor
Appointed member of EXCO: 25 January 2013
Committees: SEC, EXCO and **Chairman RMC, CM and HSC**

Andrew completed his BCom and Bachelor of Laws (LLB) degrees at the University of Natal and thereafter he served his articles at Deneys Reitz Incorporated (now trading in SA as Norton Rose Fulbright). During his articles he gained experience in maritime, commercial litigation and labour law and on completion was admitted as an attorney. He left Deneys Reitz to join the Santova Group in early 2005 where he has served as Group Legal Advisor for the past seventeen years. In addition to his role as Group Legal Advisor, he serves as a Director on certain of the Group subsidiary boards, chairs the Risk Management Committee, National Customs Committee and Group Health and Safety Committee and is a member of the Social and Ethics Committee. Andrew was appointed a member of the Group EXCO in January 2013. Andrew is an Associate of the Institute of Chartered Secretaries (SA) and a Corporate General Counsel (SA) having been certified by the Corporate Counsel Association of SA.

GERRIT FOURIE (44)
EMLog (ELA), BTech IE (TUT)
Divisional Executive: Santova International Trade Solutions
Appointed member of Group EXCO: 22 February 2017
Committees: EXCO, **Chairman IT**

Gerrit obtained his BTech degree in Industrial Engineering before joining Comparex (now BCX) in a solutions development role. His career spans various full-time and solution advisory roles within the automotive manufacturing, local distribution, fast-moving consumer goods and international logistics sectors for local and multinational organisations. Gerrit is certified through the European Logistics Association as a Master Logistician ("EMLog"). He joined Santova in 2013 to lead the Supply Chain Solutions team and was subsequently appointed to Group EXCO in 2017.

COMPANY SECRETARY

JENNIFER LUPTON (81)
FCG, M Inst. D
Appointed: 8 May 2003

Jenny is a Fellow Member of Chartered Secretaries Southern Africa and a Member of the Institute of Directors with many years' experience in the field of company secretarial practice and corporate governance. Having begun her career in Rhodesia in the early 1970's working for an investment banking organisation, where she gained experience in all aspects of company secretarial work in a wide variety of industries, she emigrated to SA in 1975 and continued as Company Secretary of various similar organisations and gained listed company experience. In 1994 she moved to KZN, eventually starting her own company, Highway Corporate Services (Pty) Ltd ("Highway"), in 2002. Highway provides outsourced company secretarial and corporate governance services to listed and unlisted companies. It also provides work experience and mentoring for aspiring Company Secretaries and mentoring for emerging businesses seeking to become corporates.

COMMITTEE KEY:

A&RC – Audit and Risk Committee
SEC – Social and Ethics Committee
NC – Nominations Committee
RC – Remuneration Committee
EXCO – Group Executive Committee
RMC – Risk Management Committee
IT – IT Risk Management and Steering Committee
CM – National Customs Committee
HSC – Group Health and Safety Committee

GOVERNANCE REVIEW

The King IV™ Report on Governance for South Africa defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

The leadership of the organisation is demonstrated in the Group Governance Framework set out on page 33 below. The effectiveness of this leadership framework is demonstrated in the narrative set out in this **AIR** and can be measured by the success of the Group in recent years.

The Group is fully committed to the promotion of good corporate governance, which includes the application of the following:

- Code of Governance Principles set out in the King Codes;
- Our long-established governance policies and practices;
- Our Code of Ethics;
- Local and international best practice; and
- Regulatory and compliance processes of our various Boards and Committees.

These fundamentals ensure that all aspects of the Group's activities are conducted in accordance with the principles of integrity, accountability, fairness and transparency, to safeguard the Group's assets and protect value for all stakeholders.

ETHICS AND COMPLIANCE

CODE OF ETHICS

The Group's Vision and Purpose and Culture and Values, as set out on page 2 of this **AIR**, collectively constitute its Code of Ethics and set the moral and ethical tone of the Group. There is an ongoing drive to ensure that each member of the global Group commits to this Code of Ethics. Annual strategy workshops attended by the BU Leaders from the Group's local and foreign operating subsidiaries, are held to strengthen relationships, communication and cohesion within the Group. Two such workshops were held during this financial year, in July 2022 and February 2023. These meetings focused on operational co-operation and synergies between Group entities and the development of operational strategy.

WHISTLE BLOWING

The Company has a Whistle Blowing Policy and a Whistle Blowing Inbox, details of which may be found on the Group's website (www.santova.com) and on the footer of every email emanating from the Group. All emails sent to this inbox are only received by the Board Chairman and the Company Secretary. The Whistle Blowing Policy was reviewed and refreshed in the year under review.

COMPLIANCE

The Board receives assurance on the Group's compliance with applicable legislation, regulations, codes and standards via reports from the Chairmen of Board Committees and compliance is a regular item on the agenda of each of these Board Committee meetings. A full Legal and Risk Report on behalf of Management is presented by the Group Legal Advisor at each meeting of both the Audit and Risk Committee and the Social and Ethics Committee, and a legal update on new legislation is provided by the internal legal team to both these committees on an annual basis.

The Board has satisfied itself that during the period under review the Group has, in all material respects, complied with the JSE Listing Requirements, the Companies Act and all other applicable legislation and regulations. A full report on Risk may also be found on pages 10 to 13 of this **AIR**.

APPLICATION OF KING IV™

The Company continued on its journey to implement the principles and practices of King IV™ in the 2023 financial year.

THE BOARD OF DIRECTORS

The Board is the custodian of corporate governance within the Group and its objective is to ensure responsible leadership in a manner that balances the needs of all stakeholders, retains full and effective control of the Group and gives strategic direction to Management. The deliberations of the Board are guided by a Board Charter and supported by a Group Delegation of Authority, both of which are reviewed annually. For the year under review the Board fulfilled its responsibilities in compliance with its Charter. The Charter is available on the Group's website (www.santova.com).

There have been some major changes to the composition of the Board during the financial year ended 28 February as well as subsequent to that date. The Company's Chairman, WA Lombard, passed away after a short illness on 1 November 2022, and the Group Financial Director, RM Herselman, resigned on 31 January 2023 to emigrate to Australia. Both will be greatly missed. Upon the passing of WA Lombard, ESC Garner was appointed Chairman of the Board and Chairman of the Nominations Committee.

Following in chronological order, ME Stewart was appointed to the Board as an independent non-executive director and Chairman of both the Audit and Risk and Remuneration Committees on 9 December 2022, and JS Robertson was appointed Group Financial Director on 14 February 2023. Subsequent to the financial year end, TL Woodroffe was appointed as an independent non-executive director on 2 March 2023.

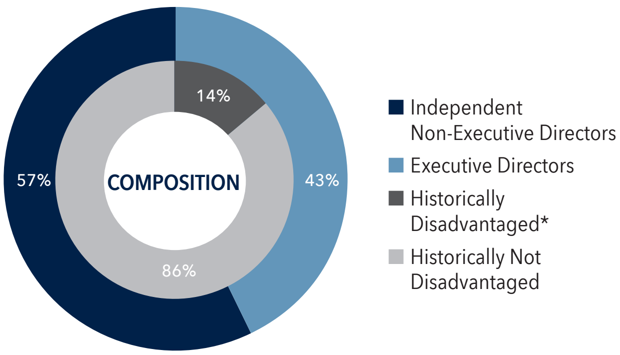
Brief biographical details of each of the current directors and the expertise and experience each bring to the Board, are set out on pages 28 to 29 of this **AIR** under the heading "Who Governs Us".

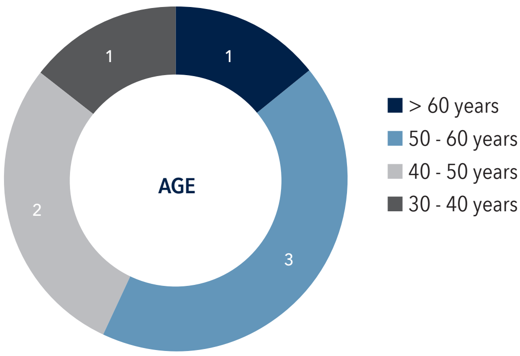
COMPOSITION OF THE BOARD

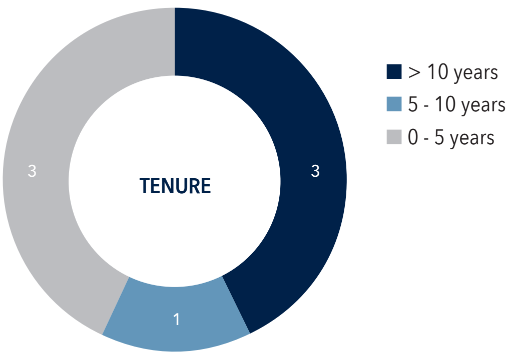
Unitary Board of seven directors.
All non-executive directors are independent.
Extensive financial, corporate governance and business experience, balanced with entrepreneurial flair.
Size of the Board is considered appropriate to the present size of the Group.
Adopted a Division of Responsibilities Policy that ensures a clear division of responsibilities and a balance of power and authority.
Chairman and Chief Executive Officer roles are separated and their responsibilities clearly defined.
The Chairman is an independent non-executive director.

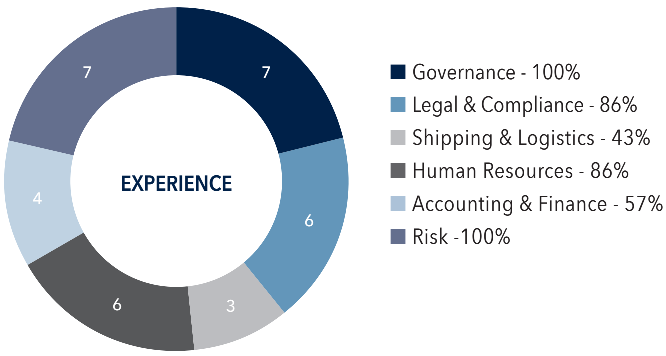
The responsibilities of the Board include the following:

COMPLYING	with all applicable laws, regulations and codes of business practice;
ESTABLISHING	the strategic objectives of the Group;
DETERMINING	investment and capital allocation criteria;
ACCOUNTING	for the performance, proper management and ethical behaviour of the Group;
DEFINING	levels of materiality, reserving specific powers to itself and delegating other matters;
MONITORING	the management of key strategic and operational risk issues and performance areas;
IDENTIFYING	key non-financial issues relevant to the Group; and
REVIEWING	the performance of the various Board Committees established to assist in the discharge of its duties.









**The term Historically Disadvantaged South Africans (HDSA) refers to any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.*

GOVERNANCE REVIEW continued

The following principles from the Board Charter and relevant policies bind the Board as follows:

APPOINTMENTS
A formally documented procedure governs appointments to the Board. All appointments are formal and transparent and a matter for the Board as a whole but assisted by the Nominations Committee. There were a number of changes to the Board during the period under review and these are set out under the heading "Composition of the Board" on page 31.

DELEGATION OF AUTHORITY
The Delegation of Authority, which sets out the delegation by the Board of its authority to its Committees, Group Executive Management and to the Management of its subsidiary companies in all jurisdictions, was completely overhauled in 2021. The new version is now a matrix-style working document that is divided into key business areas and cross references delegation topics with the Board, Committees and individual role players as well as with financial limits with convertible currency. The new document is applicable to all individual entities within the Group and is identical for all bar the currency conversion.

DIVERSITY POLICY
The Board's Policy for Diversity recognises the benefits of a truly diverse Board and as a result the policy addresses diversity across the following areas: skills, gender, regional and industry experience, background, race, and other distinctions. All recent appointments have been made with the Policy for Diversity in mind.

BOARD AND COMMITTEE EVALUATION
An evaluation of the Board and its Committees was carried out internally in 2022. A report on the findings was considered by the Board at its meeting in May 2022 and a number of action items were agreed upon. The questionnaire has now been converted into digital format to simplify the process. The next evaluation process will take place in the 2024 calendar year.

CONFLICT OF INTEREST
Directors are obliged to disclose any conflict of interest at every Board meeting as well as by a general disclosure of shareholdings, directorships and other conflicts of interest annually, which is updated if changes take place. Conflicts of interest at Senior Management level are disclosed to and recorded at the Social & Ethics Committee meetings. Any disclosures are appropriately managed and are recorded in the minutes.

DEALING IN SECURITIES
The Board's formal policies governing the dissemination of price-sensitive information and for dealing in the Group's equity securities were reviewed and updated in the year under review. Directors and senior management are required to seek permission from the Chairman of the Board prior to any dealing and are prohibited from trading during closed or prohibited periods.

ROTATION
Non-executive directors who have served for more than nine years on the Board retire annually. If eligible and available, they are considered for re-appointment by the shareholders at the AGM.

CASUAL VACANCIES
Non-executive directors appointed during the course of the year to fill casual vacancies retire at the following AGM to provide shareholders with the opportunity to confirm their appointment.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

		BOARD	AUDIT & RISK	NOMINATIONS	REMUNERATION	SOCIAL & ETHICS
INDEPENDENT NON-EXECUTIVE DIRECTORS						
WA Lombard[1]	Board/Nominations Committee Chair	3/4	3/4	1/1	2/2	1/2
ESC Garner[2]	Board/Nominations Committee Chair	4/4	4/4	1/1	2/2	2/2
EM Ngubo	Social & Ethics Committee Chair	4/4	4/4	1/1	2/2	2/2
ME Stewart[3]	Audit & Risk Committee Chair	1/1	1/1	1/1	1/1	-
TL Woodroffe[4]	Independent Non-executive Director	-	-	-	-	-
EXECUTIVE DIRECTORS						
GH Gerber	Group Chief Executive Officer	4/4	4/4	1/1	2/2	2/2
RH Herselman[5]	Group Financial Director	3/3	3/3	-	-	-
JS Robertson[6]	Group Financial Director	1/1	1/1	-	-	-
AL van Zyl	Group Marketing Director, Group EXCO	4/4	4/4[7]	-	-	-
PRESCRIBED OFFICERS						
AKG Lewis	Group Legal Advisor, Group EXCO	4/4[7]	4/4[7]	-	-	2/2
GP Fourie	Group IT Executive, Group EXCO	4/4[7]	4/4[7]	-	-	-

[1] Deceased 1 November 2022; [2] Appointed Chairman on 18 November 2022 upon the passing of WA Lombard; [3] Appointed 9 December 2022 and Chairman of the Audit & Risk and Remuneration Committees; [4] Appointed 2 March 2023; [5] Resigned 31 January 2023; [6] Appointed a director and Group Financial Director on 14 February 2023; [7] Attends by invitation.

GROUP GOVERNANCE FRAMEWORK

BOARD COMMITTEES

The Audit and Risk, Remuneration, Nominations, and Social and Ethics Committees are formally constituted Committees of the Board each assigned to deal with various matters required in terms of the Companies Act, the JSE Listings Requirements, and King IV™. Each have clear terms of references set out in their Charters delineating their scope of authority and specific responsibilities. The Charters are reviewed annually to ensure that they are current and relevant. The Group Secretary is the secretary of all the Board Committees and the Group CEO is a permanent invitee to all of these formal Board Committee meetings.

1 AUDIT AND RISK COMMITTEE

A full Audit and Risk Committee Report, which addresses the roles, responsibilities and activities of the Group, may be found on pages 4 and 5 of the **AFS** and on the Group's website (www.santova.com).

The Group Financial Director attends Audit and Risk Committee meetings and, in the interests of broadening knowledge of the Company, all directors and prescribed officers, who are not members of the Audit and Risk Committee, are invited to attend meetings and usually do so.

2 REMUNERATION COMMITTEE

The Group's Remuneration Policy and the Remuneration Committee's activities for the period under review, are fully explained in the "How We Remunerate" report on pages 34 to 39 of this **AIR** and further information on the Group's Human Capital and Social Responsibility and Investment may be found in the **S&E Report**, which is available on the Group's website (www.santova.com).

3 NOMINATIONS COMMITTEE

During the year the Committee:

- Reviewed the Charter and an Annual Work Plan;
- Reviewed the succession plan for executive directors and senior positions in the Group;
- Confirmed the independence of the non-executive directors through a documented assessment;
- Established the percentage increase for non-executive directors' fees to become effective following the AGM, subject to the approval of shareholders;
- Reviewed the Diversity Policy; and
- Facilitated the appointment of the new directors, ME Stewart and TL Woodroffe.

4 SOCIAL AND ETHICS COMMITTEE

A full report of the Social and Ethics Committee may be found on pages 6 to 8 of the **AFS** and on the Group's website (www.santova.com).

5 RISK MANAGEMENT COMMITTEE

A full commentary on how Risk is managed in the Group and the role of the Risk Management Committee, may be found on pages 10 to 13 of this **AIR**.

6 IT RISK MANAGEMENT AND STEERING COMMITTEE

This Committee has the day-to-day responsibility for overseeing the implementation of IT strategy and governance in all regions and reports directly to the Audit and Risk Committee.
IT strategy is fully aligned to the Group's business strategy and follows a cloud-based outsourced model so as to minimise IT risks and gain the benefit of appropriate external expertise.

During the year the Committee:

- Deployed and implemented the Group Data Lake solution;
- Developed and deployed the centralised Financial BI solution;
- Continued migration of acquired business units ("BUs") onto the centralised Operating System;
- Centralised key systems resources; and
- Outsourced non-core technology functions.

7 NATIONAL CUSTOMS COMMITTEE

This Committee oversees the risk of customs compliance within the SA business, which has a larger exposure to customs risk than most foreign jurisdictions as Santova typically pays customs VAT and duties on behalf of our clients.

8 GROUP HEALTH AND SAFETY COMMITTEE

This Committee oversees the risk of Health and Safety compliance within the Group. Further information on this Committee as well as Health and Safety compliance may be found in the Social and Environmental Report, which is available on the Group's website (www.santova.com).

GROUP SECRETARY

Brief biographical details of the Group Secretary are set out on page 29 of this **AIR**. The independence, effectiveness, qualifications and experience of the Group Secretary are reviewed annually by the Board and the Board has satisfied itself that the Group Secretary is independent and competent and has the necessary qualifications and experience required to fulfill the role and the responsibilities placed upon a Group Secretary by the Companies Act, the JSE Listings Requirements and King IV™.

JSE SPONSOR

River Group has been the sponsor to the Group since it listed in 2002 and is consulted on a regular basis on matters concerning the JSE Listings Requirements.

HOW WE REMUNERATE

1. BACKGROUND STATEMENT ON REMUNERATION

In following the strategy of an international, non-asset based, outsourced provider of supply chain solutions, the Group's human capital remains as one of the four primary capital inputs of the value creation process. It is therefore important that our reward strategies and remuneration structures are designed to attract, motivate and retain high-calibre talent at all levels within the Group, whilst fostering a culture of performance, thereby entrenching Santova as a leading employer within the supply chain sector.

As a result, when determining an employee's reward, consideration is given to achieving an appropriate balance between fixed and variable remuneration, and short and long-term incentives for all employee rewards, with the overall aim being to ensure that the Remuneration Policy promotes:

- The achievement of the Group's four key medium and long-term strategic initiatives of Growth, Innovation, Intellectual Capital, and Diversification;
- An ethical culture and responsible corporate citizenship in line with the Group's well-entrenched Culture and Values; and
- The achievement of long-term, sustainable growth and success of the Group through fair, responsible and transparent remuneration practices.

THE REMUNERATION COMMITTEE

The Remuneration Committee ("the Committee") has responsibility for the oversight of the Group's remuneration policies and practices. The Committee is a formally constituted subcommittee of the Board, which has delegated its authority in terms of a formally documented Charter that is reviewed annually.

In line with best practice, membership of the Committee is comprised solely of independent non-executive directors. The Committee meets at least twice during the financial year. The CEO attends Committee meetings as an invitee, but recuses himself from discussions relating to his personal performance and remuneration.

The "Governance Review" on pages 30 to 33 of this AIR contains details of the composition, attendance and meetings of the Remuneration Committee during the period under review.

COMMITTEE ACTIVITIES

Key areas of focus and key decisions taken by the Committee during the year included:

- Reviewed and approved the annual overall performance metrics and parameters for short-term incentive payments for all employees of the Group for the 2023 financial period, relative to the financial performance within each region in which the Group operates internationally;
- Specifically approved the annual short-term incentive payments for the executive directors and Executive Committee ("EXCO") members for the 2022 financial period, relative to individual, role-based Key Performance Indicators ("KPIs") and overall Group financial performance;
- Reviewed the status and availability of unissued options of the Group's two long-term Share Option Schemes with no further options issued in the 2023 financial year;
- Reviewed and approved a revised version of the Group's formally documented Remuneration Policy;
- Reviewed the Committee Charter and Work Plan;
- Considered and approved an increase in non-executive directors' fees as set out in the Notice of AGM;
- Reviewed the performance of the Santova Pension and Provident Funds;
- Reviewed and approved the annual overall guaranteed pay benchmark increases for all employees in the Group for the 2024 financial year, relative to current inflation levels and market practice within each region in which the Group operates internationally; and
- Specifically approved the annual guaranteed pay increases for the executive directors and EXCO members for the 2024 financial year.

The Committee is satisfied that its members are independent and objective, and that the Group's Remuneration Policy has achieved its stated objectives during the current financial year. Areas of focus for the Board and the Committee for the coming year include:

- To engage an external consultant to perform an independent review of the investment strategy, benefits and structure of the Group's Pension and Provident Funds in SA;
- To continue the implementation of a Group-wide Human Resources ("HR") platform, BambooHR™ (as detailed in the Social and Ethics Committee Report on page 8 of the AFS), that will act as a central database and facilitator of Group HR internationally; and
- To continue to enhance the Group's remuneration practices and disclosures to ensure that they are in alignment with the principles of King IV™ and, in particular, to ensure that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation.

The internal and external factors affecting the Group HR practices and remuneration continue to be related to the sourcing, development and retainment of high-quality talent within the supply chain sector. As a business with a truly non-asset based consulting model within an industry that is typically asset intensive, the Group has embarked on a strategy over the past few years to improve the technical competence and abilities of our workforce by building our employment brand and improving our remuneration practices.

STAKEHOLDER ENGAGEMENT

At the Company's AGM held on 25 July 2022, shareholders were asked to vote on and approve two non-binding resolutions in terms of the recommendations of King IV™. These resolutions enabled shareholders to express their views and to approve the Company's Remuneration Policy and Implementation Report as detailed in the 2022 **AIR**.

The results of that meeting were that 99,2% of shareholders present in person or by proxy voted in favour of the non- binding advisory endorsement of the Remuneration Policy and 99,3% of shareholders present in person or by proxy voted in favour of the Company's Implementation Report.

In terms of the requirements of King IV™, should 25% or more of the votes cast annually at an AGM be against one or both of the non-binding ordinary resolutions, the Company must undertake to engage directly with the shareholders concerned to ascertain the reasons why they voted against the resolutions and to seek external professional advice on how better to structure its Remuneration Policy and practices. Based on this feedback, the Company must then undertake to make recommendations to its Remuneration Committee.

As a result of the outcome at the 2022 AGM, there was no need for Santova to implement a formal plan of engagement with shareholders or stakeholders during the year with regards to our Remuneration Policy. However, senior executives of Santova do communicate regularly on an informal basis during the year with various shareholders, investors and analysts, during which discussions they receive feedback on the Group's Remuneration Policy and any significant matters raised are passed on to the Remuneration Committee for consideration.

HOW WE REMUNERATE continued

2. REMUNERATION POLICY OVERVIEW: GENERAL POLICY ON REMUNERATION

The Company has a formally documented Remuneration Policy, which is available on the Company's website (www.santova.com).

The Board is committed to fair and responsible remuneration within the Group to promote the achievement of the Group's overall strategies across all levels of employees. To this end, remuneration packages and incentives are offered and structured on an identical basis for all employees, senior management and executive directors, in each region in which the Group operates.

There is a formal, annualised process whereby each employee is assessed on an individual basis and benchmarked against market remuneration levels in each region relative to the specific role occupied and responsibility assumed by the respective employee. Employees are assessed:

- In comparison to employees in like roles across all operating regions so as to ensure consistency;
- Against their performance in their specific roles; and
- To the extent to which they have 'lived' the Culture and Values of the Group.

In a formal annual process, the Group EXCO assesses each employee with regard to the award of:

- Inflationary increases;
- Annual bonuses;
- Incentive awards; and
- Makes recommendations to the Remuneration Committee, which sets the parameters for annual increases and adjudicates senior management increases, bonuses and incentive awards.

The guaranteed remuneration component paid to executive directors and employees is based on industry benchmarks and targeted just below the median of the market for organisations of a comparable size. The Remuneration Committee has discretion to authorise the payment of a premium to the median for the attraction and retention of key personnel.

EXECUTIVE DIRECTORS' SERVICE APPOINTMENTS AND REMUNERATION

Executive directors are appointed to the Board to bring management expertise and strategic direction to the Group and to provide the necessary skills and experience appropriate to our needs as a diversified, leading, global business.

Each executive director is bound by a formal contract of employment. The contracts are for variable terms subject to notice periods ranging between 30 to 90 days and all contracts carry post-employment restraints, providing protection to the Group's client base, employees and confidential information. There are no provisions in the employment contracts of executive directors that would give rise to payments or obligations on termination. In addition, no executive directors or senior management have received sign-on, retention or restraint payments.

The CEO conducts an annual review of the performance of all senior executives founded on established KPIs for each individual determined by his/her specific role. Based on the outcome of these reviews, the CEO then makes recommendations to the Remuneration Committee with regards to the awarding of short and long-term incentives and the determination of salary packages for the ensuing year. The Remuneration Committee evaluates the performance of the CEO based on his established KPIs and determines his salary package for the ensuing year and his eligibility for short and long-term incentives.

NON-EXECUTIVE DIRECTORS' APPOINTMENTS

All non-executive directors have terms of appointment of three years and one third of the non-executive directors retire each year at the AGM in terms of the Group's Memorandum of Incorporation. Each retiring director who is eligible and offers himself/herself for re-election is then subject to re-election by shareholders.

The Board Charter requires that all directors who have served nine or more years on the Board retire annually at the AGM. Each retiring director who is eligible and offers himself/herself for re-election is then subject to re-election by shareholders.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The Chairman receives an annual fee, which takes into consideration his role as Chairman of the Group, coupled with the associated levels of commitment and expertise, and covers his attendance at Board and Committee meetings.

Other non-executive directors receive fixed fees for service on the Board and Board Committees on the basis of meetings attended and chairmanship of Board Committees. Non-executive directors do not participate in short or long-term incentive schemes. The fees for non-executive directors from 1 August 2022 to 31 July 2023 were approved by shareholders at the AGM held on 25 July 2022.

REMUNERATION MIX

The Group seeks to achieve a balance between guaranteed remuneration and short and long-term variable incentives that are directly linked to financial performance and long-term value creation for shareholders.

As part of this philosophy, the Group aims to ensure that a larger proportion of remuneration for senior management is linked to performance-based targets and paid as short and long-term incentives. As such, the Remuneration Committee has established a financial model to determine the short and long-term incentives that can be awarded to the CEO and EXCO members annually. This model is based on Performance Measures (six weighted financial and non-financial KPIs) and Performance Outcomes (three performance 'hurdles', namely the achievement of "threshold" earnings, "on-target" earnings and "stretch" earnings).

Given Management's prudent and conservative approach to reporting, where significant provisions have been raised, these provisions are normalised in the assessment of earnings for remuneration purposes.

The key Performance Outcome criteria used in this financial model to generate the resultant incentive allocations are:

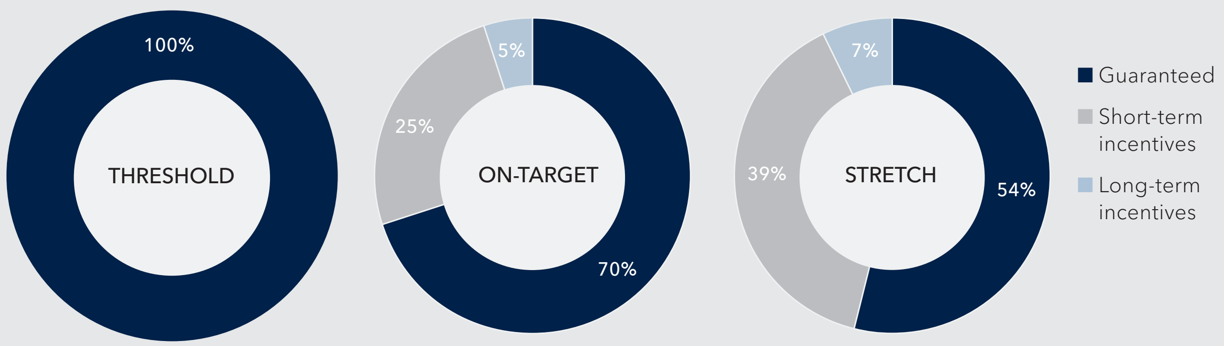
- "Threshold" earnings levels: These are minimum levels requiring that the financial related KPIs be achieved at the same or higher levels than the previous financial year;
- "On-target" earnings levels: The financial performance that needs to be attained to meet stakeholders' expectations and to achieve consistent, long-term, sustainable earnings growth; and
- "Stretch" earnings levels: The financial performance in excess of the "on-target" earnings levels.

As part of the annual budget process, the Remuneration Committee set the following target earnings levels for the 2023 financial year:

- "On-target" earnings: 5,15 times the Total Cost to Company ("TCC") of the CEO and EXCO members; and
- "Stretch" earnings: The CEO and EXCO members share in an additional bonus pool allocation constituting 35% of that amount in excess of "on-target" earnings.

The charts below demonstrate the potential achievable remuneration mix for the CEO and EXCO members assuming the achievement of "threshold", "on-target" and "stretch" KPIs for the 2023 financial period:

Illustrative example: CEO & EXCO members' remuneration mix



GUARANTEED REMUNERATION

Executive directors' fixed remuneration components are quantified on a TCC basis and are reviewed annually in March of each year by the Remuneration Committee to ensure sustainable performance and market competitiveness. In performing this review the remuneration packages are:

- Compared to current remuneration surveys and levels within other comparable SA public companies; and
- Reviewed with consideration to the individual director's own personal performance, role-specific KPIs, experience, responsibility and Group performance.

The philosophy behind these annual reviews is to award percentage increases that are typically linked to current and historic inflation levels, to primarily compensate for loss of real disposable income.

The fixed remuneration component, or TCC, typically constitutes three elements:

- A fixed base salary;
- Contributions by the Group to defined contribution retirement plans on behalf of the executive directors based on a percentage of pensionable salary and includes death and disability cover; and
- Contributions to the Group's medical healthcare scheme.

HOW WE REMUNERATE continued

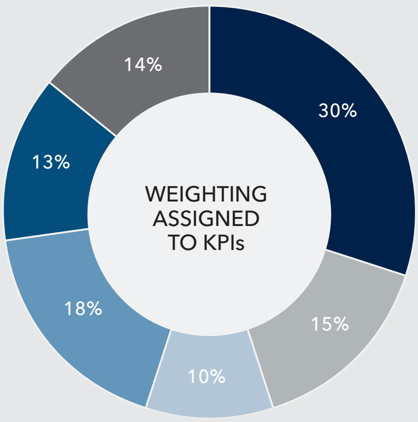
SHORT-TERM INCENTIVES

The Remuneration Committee aims to align the executive directors' total remuneration with stakeholders' interests by ensuring that a significant portion of their package is variable in nature. Executive directors qualify for an annual incentive bonus calculated and paid in May of each year following the finalisation of the Group's annual results for the previous financial period.

The payment of this incentive bonus is subject to the achievement of certain performance targets that are directly linked to:

- The overall Group financial and operational performance of the specific division or function for which the director is responsible;
- The extent to which the director shows commitment to the implementation of the Group's key ongoing strategic initiatives;
- The individual director's personal performance against role-specific KPIs; and
- The extent to which the director 'lives' the Group's Culture and Values, demonstrating the highest levels of corporate governance and ethical behaviour.

The remuneration model utilised by the Remuneration Committee to measure the achievement of the performance targets utilises six weighted financial and non-financial KPIs as listed and graphically illustrated below:



Executive directors do not receive directors' fees for attending Board and Committee meetings and are not specifically remunerated in any way for their role as directors of the Group.

LONG-TERM INCENTIVES

The Group operates two Santova Share Option Schemes specifically approved by shareholder resolutions in 2012 and 2015 as a means of providing long-term incentives and retaining senior management and executive directors. Allocations from Schemes are generally made on an annual basis, subject to the discretion of the Remuneration Committee.

The rules of each Scheme are set down in documents that have been approved by the JSE and filed with the Companies and Intellectual Property Commission. The Group Secretary has been appointed the Compliance Officer of the Schemes and the Remuneration Committee governs the Schemes on an ongoing basis. Non-executive directors are not entitled to participate in either of the Schemes.

The following are the key features of the two Schemes:

- The total number of unissued shares, which may be utilised for purposes of Share Scheme No. 1 and Share Scheme No. 2 respectively, is 6 700 000 ordinary shares of no-par value in Santova Limited;
- The maximum number of shares in respect of which an employee may hold options in terms of each scheme shall not exceed 2 685 500 of the issued shares of Santova Limited;
- The option strike price will be determined with reference to the 30-day Volume Weighted Average Price ("VWAP") on the grant date;
- The share options granted in terms of Share Scheme No. 1 have a vesting period of three years and the share options granted in terms of Share Scheme No. 2 have a vesting period of five years;
- Employees will have to remain in the employment of the Group for the options to vest. Certain additional conditions will apply in the event of death or retirement of a participating employee prior to reaching a vesting period;
- The share options will need to be exercised within a period of six years of vesting in the case of Share Scheme No. 1, and three years of vesting in the case of Share Scheme No. 2, and employees must exercise 100% of the options granted in each tranche; and
- On exercise of the share options in terms of Share Scheme No. 1, the employee will be paid a cash contribution equal to 50% of the cost of shares to be acquired at the option strike price. The contribution is paid specifically for the purpose of exercising the share options and will not be paid to the employee, but will be offset against the cost of the shares being acquired. The cash contribution will be fully taxable in terms of the Income Tax Act.

3. REMUNERATION POLICY IMPLEMENTATION REPORT

GUARANTEED REMUNERATION

Guaranteed remuneration is reviewed annually on 1 March and during the 2023 financial year the Remuneration Committee set the following overall guaranteed remuneration benchmark increases for the Group as a whole:

	2023/24 %	2022/23 %
South Africa	**9,3**	7,4
International Operations - Average across all regions	**7,8**	5,5

Guaranteed remuneration of executive directors and the prescribed officers were increased by the Remuneration Committee as follows:

	2023/24 %	2022/23 %
Chief Executive Officer	**25,0**	15,0
Key Senior Executives	**19,0**	12,5

SHORT-TERM INCENTIVES

For the 2022 financial period the CEO and EXCO members qualified to participate in a short-term incentive allocation as determined by the financial model and KPIs detailed above in the Remuneration Policy overview.

Based on the actual results achieved by the Group for the 2022 financial period and the resultant scoring of the six key KPIs utilised by the model as detailed below, the CEO and EXCO members were deemed to have achieved an "on-target" earnings score of 113,39% against a target of 100%.

2022 FINANCIAL PERFORMANCE RATING SCORES

Performance Criteria	Weight	Threshold	Target	Stretch	Score	Actual Weighted Score
		0%	100%	200%	0-200%	
1. Headline earnings per share (HEPS)	30%				111,02%	33,31%
2. Return on average shareholders' funds	15%				73,93%	11,09%
3. Operating margin	10%				57,51%	5,75%
4. Earnings after tax	18%				89,41%	16,09%
5. Culture and Values of the Group	13%				185,00%	24,05%
6. Duties and responsibilities	14%				165,00%	23,1%
	100%				**Total**	**113,39%**

EXECUTIVE DIRECTORS' REMUNERATION

Details of the remuneration paid to the CEO and EXCO members during the 2023 financial period are set out on pages 59 to 61 of the AFS, which forms part of this **AIR**.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The Remuneration Committee recently undertook an assessment of market related non-executive directors' fees and have recommend an increase of 20% to non-executive directors for the 2023/24 year.

Details of the remuneration paid to each non-executive director during the 2023 financial period are set out on pages 59 to 61 of the AFS, which forms part of this **AIR**.

At the AGM to be held on 24 July 2023, shareholders will be asked to pass a special resolution to approve the proposed amounts as set out in the Notice of AGM.

APPROVAL

This report was approved by the Remuneration Committee and the Board on 17 May 2023. The Remuneration Committee as well as the Board are satisfied that there were no material deviations from the Remuneration Policy during the 2023 financial year.

ME Stewart
Chairman

17 May 2023

SHAREHOLDER ANALYSIS

	Number of shareholder accounts	% of total shareholder accounts	Number of shares	% of issued shares
SHAREHOLDER SPREAD				
1 - 1 000 shares	6 683	69,63	1 045 893	0,78
1 001 - 10 000 shares	1 921	20,02	7 547 169	5,65
10 001 - 100 000 shares	838	8,73	25 425 738	19,04
100 001 - 1 000 000 shares	137	1,43	33 255 753	24,90
1 000 001 shares and over	18	0,19	66 281 268	49,63
Totals	**9 597**	**100,00**	**133 555 821**	**100,00**
SHAREHOLDER TYPES				
Banks, Brokers & Nominees	22	0,23	3 588 195	2,69
Close Corporations	39	0,41	1 216 294	0,91
Collective Investment Schemes	6	0,06	3 192 497	2,39
Control Accounts & Unclaimed Shares	5	0,05	5 972	0,00
Hedge Funds	1	0,01	18 012 353	13,49
Lending, Collateral & Pledged Accounts	4	0,04	4 152 711	3,11
Non-SA Custodians	13	0,14	1 962 215	1,47
NPO & Charity Funds	6	0,06	47 759	0,04
Pooled & Mutual Funds	23	0,24	715 431	0,53
Private Companies	160	1,67	10 560 808	7,91
Retail Individuals	8 473	88,29	74 319 395	55,65
Retirement Benefit Funds	654	6,81	2 807 749	2,10
Trusts & Investment Partnerships	191	1,99	12 974 442	9,71
Totals	**9 597**	**100,00**	**133 555 821**	**100,00**
KEY SHAREHOLDERS				
Non-Public Shareholders	14	0,15	46 126 905	34,53
Directors	13	0,14	28 114 552	21,04
Barca Capital LLC (>10% of Issued Shares)	1	0,01	18 012 353	13,49
Public Shareholders	9 583	99,85	87 428 916	65,47
Totals	**9 597**	**100,00**	**133 555 821**	**100,00**
FUND MANAGERS HOLDING >5% OF ISSUED SHARES				
Barca Capital			18 012 353	13,49
Totals			**18 012 353**	**13,49**
BENEFICIAL SHAREHOLDERS HOLDING >5% OF ISSUED SHARES				
Barca Capital			18 012 353	13,49
van Zyl Anthony Lance Mr			17 311 404	12,96
Totals			**35 323 757**	**26,45**

DIRECTORS' SHAREHOLDING ANALYSIS

Non-public shareholder type	Account	28 February 2023	%
STRATEGIC SHAREHOLDERS (>10% OF ISSUED SHARES)		**18 012 353**	**13,49**
Barca Capital	Barca Global Master Fund LP	18 012 353	13,49
DIRECTORS		**24 629 196**	**18,44**
Garner, ESC	Delmas Crushers CC	497 922	0,37
Garner, ESC	Sanlam Glacier Fund	142 760	0,11
Gerber, GH	Gerber Glen Henry Mr	5 175 780	3,88
Gerber, GH	Lloyd Investment Trust	1 501 329	1,12
Gerber, GH	International Mining Logistics	1	0,00
van Zyl, AL	van Zyl Anthony Lance Mr	17 311 404	12,96
SUBSIDIARY DIRECTORS		**3 485 356**	**2,60**
Boelens, VP	Boelens Vincent Patrick Mr	150 000	0,11
Desai, M	Desai Muhammad Mr	69 843	0,05
Fourie, GP	Fourie Gert Mr	285 555	0,21
Heald, JE	Heald John Edward Mr	2 021 233	1,51
Heuer, FP	Heuer Frank Peter Mr	677 065	0,51
Lewis, AKG	Lewis Andrew Kenneth Grant Mr	142 000	0,11
Slade, PR	Slade Paul Robert Mr	139 660	0,10
NON-PUBLIC SHAREHOLDER TOTALS		**46 126 905**	**34,53**

No non-beneficial interests were held by any of the directors. There have been no changes in the above interests since the financial year-end and the date of approval of the financial statements.

SHARE PERFORMANCE

ANALYSIS OF TRADES

Year	Month	High sale	Low sale	Number of deals	Volume	Value
2022	March	620	550	230	778 919	4 513 736
2022	April	648	452	438	1 124 355	6 347 713
2022	May	730	512	827	2 350 592	15 589 315
2022	June	700	599	462	1 871 613	12 437 533
2022	July	924	635	566	2 515 749	18 126 839
2022	August	815	741	513	1 565 653	11 993 011
2022	September	800	690	328	1 020 160	7 457 870
2022	October	789	690	627	2 144 666	15 574 493
2022	November	800	700	1 332	4 840 265	36 300 555
2022	December	825	750	349	1 180 379	9 323 333
2023	January	834	791	607	1 653 022	13 427 811
2023	February	859	777	517	1 710 637	13 960 827
		924	**452**	**6 796**	**22 756 010**	**165 053 036**

MARKET DATA

		2023	2022
Traded price at cents per share (CPS)			
Open	CPS	**587**	290
High	CPS	**924**	629
Low	CPS	**452**	241
Close	CPS	**800**	575
Market capitalisation	ZAR	**1 068 446 568**	795 916 449
Value of shares traded	ZAR	**165 053 036**	87 152 150
Value traded as % of market capitalisation	%	**15,45**	10,95
Volume of shares traded	number of shares	**22 756 010**	22 019 456
Volume traded as % of shares in issue	%	**17,04**	15,91
Price Earnings (PE) ratio	multiple	**5,10**	7,84
Dividend per share	CPS	**-**	-
Dividend yield	%	**-**	-
Earnings yield	%	**19,60**	12,76
Period-end market price/NAV	ratio	**1,07**	1,03
Shares in issue	number of shares	**133 555 821**	138 420 252
Shares issued	number of shares	**2 569 446**	218 304
Shares cancelled	number of shares	**7 433 877**	23 060 793
Number of shareholders	number	**9 597**	7 995
Treasury shares held	number of shares	**-**	1 329 736
Shares in issue net of treasury shares	number of shares	**133 555 821**	137 090 516
Capital and reserves	ZAR	**1 002 877 296**	765 847 320

SHAREHOLDERS' CALENDAR

ACTIVITY	DATE
Financial year-end	28 February 2023
Release of Preliminary Audited Results on SENS	17 May 2023
Dispatch of 2023 Annual Integrated Report and Notice of AGM - on or about	26 May 2023
Publication of 2023 Annual Financial Statements on the Group website	26 May 2023
Publication of 2023 Corporate Governance material on the Group website	26 May 2023
Publication of 2023 Social and Environmental Report on the Group website	26 May 2023
2023 Annual General Meeting - 12 noon in Durban	24 July 2023
Release of Interim Statements for the six months ending 31 August 2023	31 October 2023

CORPORATE INFORMATION

SANTOVA LIMITED

Country of Incorporation

Republic of South Africa

Registration Number

1998/018118/06

Share Code

SNV

ISIN

ZAE000159711

NATURE OF BUSINESS

International technology-based trade solutions specialist

DIRECTORS

Independent Non-Executive Directors

ESC Garner (Chairman)

EM Ngubo

ME Stewart

TL Woodroffe

Executive Directors

GH Gerber (Chief Executive Officer)

JS Robertson (Group Financial Director)

AL van Zyl

COMPANY SECRETARY

JA Lupton, FCG

Highway Corporate Services (Pty) Ltd

PO Box 1319, Hillcrest, 3650, South Africa

JSE SPONSOR

River Group

Unit 2, 211 Kloof Avenue, Waterkloof,
Pretoria, 0145, South Africa

GROUP AUDITOR

Moore Johannesburg Inc.

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

SHARE REGISTRAR

Computershare Investor Services (Pty) Ltd

Private Bag X9000, Saxonwold, 2132, South Africa

INVESTOR RELATIONS

Contact Persons

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JS Robertson (Group Financial Director)

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SANTOVA HEAD OFFICE AND REGISTERED OFFICE

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Umhlanga Ridge, 4319, South Africa

Postal Address

PO Box 6148, Durban, 4000, South Africa

Registered Office

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Durban, 4001, South Africa

Contact Number

+27 31 521 0160

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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