

SANTOVA LIMITED  
(Registration Number 1998/018118/06)  
Share Code: SNV  
ISIN: ZAE000159711  
Main Board - General Segment  
("Santova" or "the Company")

## **Acquisition of Seabourne Group Limited and Withdrawal of Cautionary Announcement**

Further to the cautionary announcement dated 11 February 2025 and the renewals thereof dated 25 March 2025 and 12 May 2025, the Board is pleased to announce the acquisition of 100% of Seabourne Group Limited ("Seabourne") with effect from 30 May 2025.

### **Description of the business**

The Seabourne Group, founded in 1962, is a leading logistics provider across the United Kingdom and Europe. With nine offices and warehouses located in strategic locations across the United Kingdom, the Netherlands, and France. Its highly client centric services include Customs Clearing & Freight Forwarding, fulfilment center's ('smart' warehousing), and mail solutions (boutique services in the publishing sector, predominantly in subscription magazines). Seabourne's South African subsidiary, Seabourne Inxpress (Pty) Ltd has been excluded from the transaction and has been separately unbundled pre-completion.

### **Rationale for the Transaction**

As Santova evolves and the take-on of larger more complicated supply chains of multinational clients becomes more frequent, the ability to leverage off strategically located fulfilment centres and technologies will be key if it is to remain competitive and meet growing customer expectations. For this reason, the company has acquired Seabourne, a leading logistics provider across the United Kingdom and Europe. This business offers Santova the ability to offer clients strategically located fulfilment centres in the Netherlands, the gateway to Europe, as well as in the United Kingdom.

These facilities, unlike traditional warehouses, are designed for the processing and shipping of customer orders as opposed to bulk storage and long-term inventory holding. Specialist activities or services would include fast picking, packing and dispatching, and the integration directly with online order/sales platforms, fast-tracking Santova's strategy which is focused on the e-commerce market.

The rise of e-commerce continues to drive demand for faster and more efficient logistics services, particularly in areas such as last-mile delivery. At the same time, demand for warehousing space is high, particularly for e-commerce fulfilment and finding suitable land and securing planning permission is becoming more and more difficult in Europe, especially in the Netherlands.

### **Vendors**

The vendor for the transaction is Seabourne Holdings Limited, an unrelated party to Santova. Seabourne Holdings Limited is owned by Daniel Flitterman and CJ Bourne

(Asset Management) Limited. The beneficial owner of CJ Bourne (Asset Management) Limited is Lady Joy Hilary Bourne.

### **Consideration payable**

Santova will settle the purchase price of £17,034,500 payable for Seabourne as follows:

- £13,627,600 to be paid on the Completion Date;
- plus, the amount of any excess to the Net Asset Value above the Target Net Asset Value, or less the amount of any shortfall in the Net Asset Value below the Target Net Asset Value on the Completion Date; and
- Deferred payments of £1,703,450 payable in cash within 90 days of the completion of each of the first and second 12-month anniversaries of the completion date, subject to the fulfilment of the profit warranty.

The profit warranty requires Seabourne to achieve minimum earnings before interest and tax in each of the two warranty periods of not less than £3,691,237, failing which the deferred payments will be proportionately reduced. Any shortfall in earnings and related reduction in the deferred payment in the first 12-month period can be recovered in the second 12-month period.

In addition, the Vendors of Seabourne have a profit share incentive should the earnings before interest and tax in aggregate for the two warranty periods exceed £7,382,474. In the event this target is achieved they will receive an amount equal to 35% of the excess, payable at the same time as the second deferred payment. This amount is variable based on super performance and is limited by a total purchase price cap of £19,000,000.

### **Source of funding**

The portion of the purchase price payable in cash for the acquisition of Seabourne will be funded by Santova through a combination of internal cash reserves and a R60 million five-year amortising medium term loan facility, which has been approved by the Group's primary bankers, Nedbank Limited.

### **Value of the net assets and profits attributable to the net assets being acquired**

The value of the tangible net assets of Seabourne that are being acquired are £1,937,016 as per the sale agreement.

The value of the profits attributable to the net assets of Seabourne that are being acquired are £3,691,237 pre-taxation, as recorded in the sale agreement. This figure includes various material adjustments made to the overhead cost structure of Seabourne post-acquisition and as result varies from the most recently published and audited annual financial statements of Seabourne dated 30 June 2024.

### **Conditions precedent**

This transaction is not subject to any conditions precedent.

### **Categorisation of transaction under the General Segment**

This transaction is a category 2 transaction as defined by the JSE Listings Requirements and as such does not require specific Shareholder approval.

## **MOI of Seabourne Group Limited**

The Company further confirms that there is nothing contained in the MOI of Seabourne that may frustrate or relieve Santova of any of its obligations or compliance in terms of the Listings Requirements.

## **Withdrawal of cautionary announcement**

Shareholders are referred to the cautionary announcement dated 11 February 2025 and the renewals of cautionary announcements dated 25 March 2025 and 12 May 2025 and are advised that caution is no longer required to be exercised by Shareholders when dealing in Santova shares.

30 May 2025

Durban

Sponsor and Corporate Advisor

River Group