

2024

PRELIMINARY AUDITED RESULTS
FOR THE YEAR ENDED 29 FEBRUARY 2024



SANTOVA PRELIMINARY AUDITED RESULTS 2024 GROUP HIGHLIGHTS

KEY HIGHLIGHTS

REVENUE AND NET INTEREST
INCOME DECREASED BY

4,5%

TANGIBLE NET ASSET
VALUE INCREASED

27,3%

TO R6,11 PER SHARE

BILLINGS MARGIN IMPROVED

1,1%

TO 11,5%

OFFSHORE REVENUE
INCREASED TO

70,7%

HEADLINE EARNINGS
PER SHARE DECREASED BY

20,1%

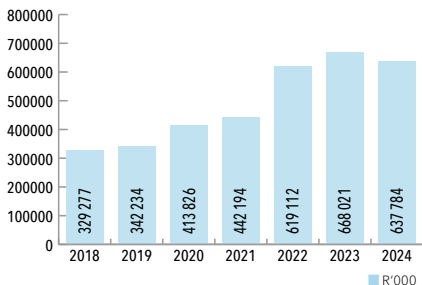
TO 123,77 CPS

CAPITAL AND
RESERVES INCREASED

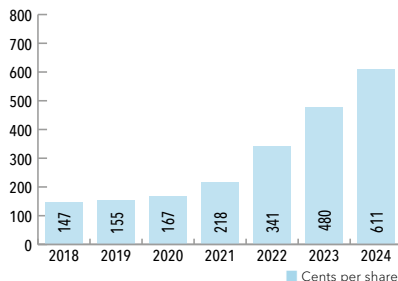
15,8%

TO R1,2 BILLION

REVENUE AND NET INTEREST INCOME



TANGIBLE NAV PER SHARE



SANTOVA LIMITED 2024

PRELIMINARY RESULTS COMMENTARY

The period ending 29 February 2024 was not plain sailing. As anticipated in the previous year's annual integrated report ("AIR"), the year under review proved to be increasingly challenging and unpredictable on many fronts.

The collective impact of which was a 30,1% decrease in profit for the year from R210,7 million to R147,3 million. This was largely attributable to the rapid decline in shipping rates, which saw revenue reduce by 4,5% (R30,2 million), increased overhead costs due to the high inflationary environment and significantly higher corporate taxes for the Group.

The impact of the trading environment was not unique to Santova. The logistics industry over the last year has witnessed significant declines in earnings, a trend that has been worsening over the last four quarters has now started to flatline. The financial results of the ICONS over the same period are a case in point. Earnings have decreased by as much as 65% and if the performance of Industry ICONS over the period under review constitutes a fair reference point, the Group has continued to display an impressive resilience in the face of a global recessionary environment.

Whilst global freight rates have significantly softened off the back of falling levels of consumer demand, the Group has managed to reduce the impact of these factors on both trade volumes and profit margins through the acquisition of a substantial number of new clients and through the continued improvement in operational efficiencies.

It is now apparent that after the robust pandemic growth experienced in 2021 and 2022, global economies have lost momentum. This loss of growth momentum has largely been the result of restrictive global monetary policies that have been introduced to curb underlying inflationary pressures. However, as the effects of tight monetary policies have continued to weigh in, the slowdown in China has complicated matters even further. The consequence now a stagnation in private consumption as 'real' wage growth continues to lag inflation.

Whilst manufacturers and distributors struggled to reduce excess inventories in the face of reduced consumer demand, the slump in container freight rates at the start of the year gave way to a gradual yet ongoing decline in volumes shipped on most trade routes between January 2023 and March 2024. This situation was also aggravated by overcapacity, as the shipping companies gradually took delivery of the vessels that they had ordered during the period of prosperity in 2021 and 2022. It is highly probable that this overcapacity will continue until the end of 2025, resulting in the container shipping sector facing yet another year of structural capacity challenge. Should this materialise, another year of freight rates at 2023 levels could eliminate industry earnings generated during the Covid years.

However, recent developments in the Red Sea have offered the industry some respite. The re-routing of vessels around Africa and away from the Suez Canal following attacks on commercial vessels in the Red Sea has resulted in an increase in container rates as an approximate 25% to 30% of global container shipping volumes pass through the Suez Canal. Having to sail around Africa instead of through the Suez Canal means 7 to 10 additional sailing days at higher freight rates, which is favourable to forwarders who can now improve earnings through greater margins. Air cargo rates have also benefited from the demand for time-sensitive shipments.

SANTOVA LIMITED 2024 PRELIMINARY RESULTS COMMENTARY continued

GROUP PROFITABILITY

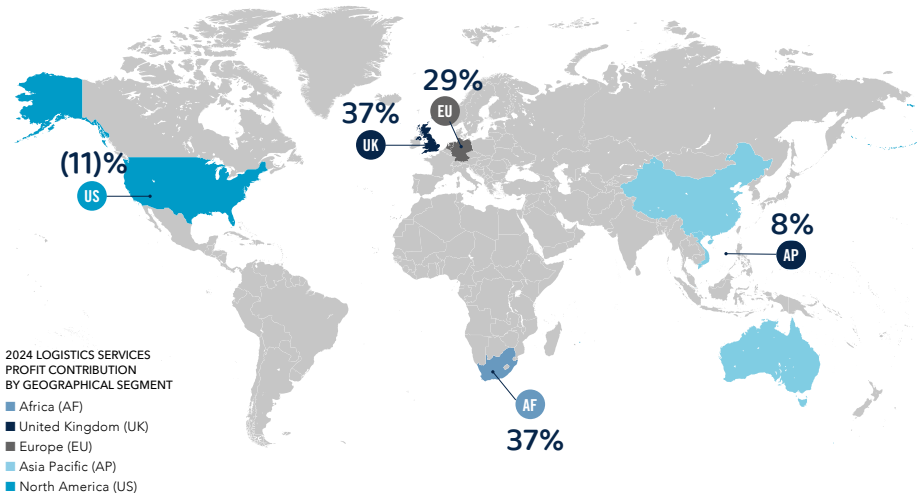
Key financial highlights for the 2024 financial year include:

- Consolidated net profit after tax ("NPAT") for the year decreased 30,1% to R147,3 million (2023: R210,7 million); and
- Headline earnings per share ("HEPS") decreasing 20,1% to 123,77 cents per share ("CPS") (2023: 154,83 CPS).

The primary drivers of the current year earnings are attributed as follows:

- Consolidated revenue decreased by 4,5% primarily driven by lower revenue in Africa ("AF") (5,7%), Asia Pacific ("AP") (17,4%), and Europe ("EU") (11,8%) due largely to lower freight rates, less project work, and a general softening in demand, while the inclusion of North America ("US") (159,3%) for a full year provided some acquisitive relief;
- Administrative expenditure, a significant component of which are employee costs, increased 6,9% year-on-year ("YoY") due to the high inflationary environment as well as the depreciation of the Rand against the basket of foreign currencies;
- The Group's operating environment was negatively impacted by the lower revenue and higher overheads mentioned above, but still benefited from the implementation of technology with operating margins of 28,8% (2023: 42,8%) remaining well above the industry average; and
- The Group's effective tax rate increased materially to 28,1% (2023: 24,9%), largely due to the UK government raising their corporate tax rate from 19% to 25% and deferred tax assets relating to assessed losses that were not recognised in Singapore and the US in the current period.

SANTOVA LIMITED 2024 PRELIMINARY RESULTS COMMENTARY continued



REGIONAL PERFORMANCE

AFRICA (AF)

Africa NPAT, represented predominantly by SA, decreased by 19,4% to R50,9 million (2023: R63,1 million), due to the following primary reasons:

- SA continued its strong performance in the face of weak economic growth, reporting a decline in revenue of 7,0% to R172,6 million (2023: R185,5 million), attributable to less project work and lower revenue per shipment due to the decline in freight rates in the current period; and
- Mauritius (“MU”), which remains a small component of the Africa segment continued to perform well, albeit off a relatively low base, with revenue increasing by 61,8% to R8,1 million (2023: R5,0 million).

EUROPE (EU)

The EU region, comprising the Netherlands (“NL”) and Germany (“DE”), decreased NPAT by 30,8% to R38,7 million (2023: R56,0 million) as a result of the below:

- After strongly capitalising on the high freight rates and a surge in trade volumes flowing through the region in the past two years, the NL saw revenue decline by 25,1% in underlying currency due to a rapid decline in freight rates and subdued demand. However, revenue remains well above pre-pandemic levels; and
- DE revenue fell by 20,1% in underlying currency due to the decline in freight rates, subdued demand from existing clients and a reduced inflow of new business.

SANTOVA LIMITED 2024

PRELIMINARY RESULTS COMMENTARY continued

UNITED KINGDOM (UK)

The UK, while facing similar challenges to the rest of the Group, fared slightly better, benefiting from its diversified service offerings, and decreased NPAT by 13,7% to R50,6 million (2023: R58,6 million):

- Tradeway (Shipping) (“Tradeway”), which specialises in the export of recycled products, including second hand textiles to Africa and the subcontinent, delivered commendable results off a record-year in the prior year with revenue remaining flat YoY with the decline in freight rates offset by the devaluation in the Rand;
- 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, UK had a relatively subdued year with household and consumer product customers continuing to trade down due to inflationary pressure on end-consumer’s disposable income. The company also benefitted from the reversal of provisions for successfully managed claims in the current period.

ASIA PACIFIC (AP)

The AP region, comprising Singapore (“SG”), Australia (“AU”), Hong Kong (“HK”), Thailand (“TH”) and Vietnam (“VN”) decreased NPAT by 73,9% to R11,1 million (2023: R42,4 million) for several reasons:

- SG experienced difficult trading conditions in the current year with a structural leadership change, a shift in strategy to build direct client business, less project work and lower freight rates, resulting in a decline in revenue by 40,3% in SGD;
- AU had a difficult operating period with the loss of a key client and low freight rates resulting in revenue declining 34,1% in AUD. Positively though, the region continues to add new clients and further diversify its client revenue streams in a bid to generate more sustainable revenue growth in future through a more diversified client base;
- HK, which acts as a strategic hub for the Group, continues to play a key role in the Group’s ability to negotiate rates and secure capacity for global clients importing from China (“CN”) to our other regions. Commendably, the region maintained revenue levels during the period amidst record low freight rates and softened demand from our other regions;
- TH reported a loss of R0,9 million for the year and was liquidated in January 2024 as the Group made the decision to divest from the region; and
- VN, which officially began operating in August 2023, incurred initial startup operating costs of R1,8 million during its “grassroots” setup. The region has now started trading and securing its own clients.

SANTOVA LIMITED 2024

PRELIMINARY RESULTS COMMENTARY continued

NORTH AMERICA (US)

The US, which has been included for a full year's trading for the first time, experienced a difficult trading environment with the following factors weighing on performance:

- The existing Los Angeles based business saw a decline in revenue due to lower freight rates and lower demand from customers in Southeast Asia - its main trade lane;
- An operating loss relating to the "grassroots" Chicago operations amounted to R4,1 million;
- Delays in obtaining the relevant regulatory licences in Santova Logistics, California, delayed the A-Link Freight ("A-Link") deal closure as an asset purchase with additional overhead costs incurred in the process; and
- Deferred tax assets derecognised on prior year assessed losses amounted to R2,0 million.

FINANCIAL POSITION

The Group's statement of financial position remains strong with continued focus on capital preservation, credit risk management and respectable earnings in the current financial year.

Specific movements in balances and financial ratios include the following:

- Intangible assets increased by R7,8 million to R369,6 million (2023: R361,8 million) primarily due to the weakening of the Rand, which resulted in the revaluation and increase of foreign subsidiary goodwill balances (R23,9 million) while goodwill amounting to R14,6 million, relating to the acquisition of A-Link, was impaired;
- Trade receivables and recoverable disbursements, which were expected to decline with the lower freight rates, remained flat YoY at R833,7 million (2023: R831,1 million) as the Red Sea issues resulted in extended sailing times placing pressure on credit terms and limits with customers. As such, debtor days have increased slightly to 41,4 days (2023: 38,4 days);
- Financial liabilities decreased by R29,3 million to RNil primarily due to the settlement of deferred consideration (R12,5 million) and a fair value adjustment to contingent consideration (R18,3 million) - which is not expected to be payable to the sellers of A-Link;
- Interest-bearing borrowings decreased by 58,9% to R10,3 million (2023: R25,0 million) due to the continued servicing of the existing medium-term loans;
- Trade payables and shipment related accruals declined by R34,1 million in line with the decline in freight rates, while creditor days increased marginally from 21,6 days in 2023, to 22,7 days in 2024; and
- Capital and reserves increased 15,8% to R1,2 billion, primarily due to the ongoing profitability of the Group and the movement in foreign currency translation reserve. This resulted in tangible NAV per share increasing 27,3% from R4,80 to R6,11.

SANTOVA LIMITED 2024 PRELIMINARY RESULTS COMMENTARY continued

CASH ON HAND AND CASH FLOWS

As expected, cash generation declined in the current period from record levels in the prior year with cash generated from operations decreasing by 68,8% to R110,1 million (2023: R352,7 million). This was due in part to lower current year profits. However, it is also important to note that cash generation was abnormally high in the prior year due to significant working capital being returned as freight rates declined from record levels, compared to the current year where working capital was absorbed due to the emergence of the Red Sea crisis towards the end of the year.

Notable cash related items include:

- Repayment of interest-bearing borrowings of R14,7 million (2023: R30,6 million);
- Settlement of deferred consideration relating to the A-Link acquisition of R12,5 million;
- 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. R49,4 million in cash was utilised to repurchase 6,1 million of the Group's own shares from the open market; and
- Foreign currencies accounted for 93,3% (2023: 93,8%) of total cash and cash equivalents with offshore funds being preserved in their source currency given the weakness of the Rand.

ACQUISITIONS

While no new acquisitions were completed during the financial year, the deferred acquisition of A-Link, US was closed as an asset purchase on 1 February 2024. Furthermore, the investment in associate has now been accounted for as a subsidiary after Santova assumed control of the entity. Additionally, new offices were opened in Vietnam and a new office was opened in Melbourne, Australia, to take advantage of the growing trade in those regions.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 29 February 2024

	Notes	Audited 2024 R'000	Audited 2023 R'000
ASSETS			
Non-current assets		441 579	441 541
Property, plant and equipment		17 343	18 014
Right-of-use ("ROU") assets		34 564	28 337
Intangible assets	7	369 583	361 841
Investment in associate		-	1 947
Financial assets at fair value through profit or loss	8	9 044	7 657
Deferred tax assets		8 800	21 570
Loans receivable		2 245	2 175
Current assets		1 345 631	1 358 428
Trade and other receivables		856 091	856 152
Current tax assets		2 219	1 107
Non-current asset held for sale	9	9 998	9 130
Amounts owing by related party		75	71
Financial assets at fair value through profit or loss	8	42	-
Cash and cash equivalents		477 206	491 968
Total assets		1 787 210	1 799 969
EQUITY AND LIABILITIES			
Capital and reserves		1 161 420	1 002 876
Stated capital	10	74 094	116 866
Equity-settled share-based payment reserve		3 655	6 069
Revaluation reserve		36	36
Foreign currency translation reserve		166 583	112 484
Retained earnings		916 929	767 229
Attributable to owners of the Company		1 161 297	1 002 684
Non-controlling interests		123	192
Non-current liabilities		23 035	45 258
Interest-bearing borrowings		3 491	8 734
Employee benefit obligations		583	666
Financial liabilities at fair value through profit or loss	8	-	16 088
Lease liabilities		17 659	14 922
Deferred tax liabilities		1 302	4 848
Current liabilities		602 755	751 835
Trade and other payables		369 752	440 437
Current tax liabilities		10 540	21 012
Interest-bearing borrowings		6 786	16 287
Financial liabilities	8	-	13 189
Lease liabilities		17 517	15 850
Provisions	11	-	12 207
Overdrafts and bank facilities		198 160	232 853
Total equity and liabilities		1 787 210	1 799 969

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2024

	Notes	Audited 2024 R'000	Audited 2023* R'000
GROSS BILLINGS		5 543 544	6 424 353
Revenue		617 728	654 379
Net interest income		20 056	13 642
Interest and financing fee income	4	39 747	35 461
Interest and financing fee expense	5	(19 691)	(21 819)
Revenue and net interest income	3	637 784	668 021
Other income		11 367	24 997
Depreciation, amortisation and impairment loss on intangible assets		(29 012)	(21 700)
Impairment (loss)/reversal on trade receivables		(4 332)	4 322
Administrative expenses		(417 509)	(390 400)
Impairment loss on goodwill		(14 567)	-
Share of profit of associate, net of tax		-	355
Operating profit		183 731	285 595
Finance income	4	26 178	1 802
Finance costs	5	(4 953)	(6 755)
Profit before tax		204 956	280 642
Income tax expense		(57 610)	(69 980)
Profit for the year		147 346	210 662
Other comprehensive income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences arising from translation of foreign operations		54 106	68 708
Other comprehensive income for the year		54 106	68 708
Total comprehensive income for the year		201 452	279 370
<i>Profit for the year attributable to:</i>			
Owners of the Company		147 872	210 647
Non-controlling interests		(526)	15
		147 346	210 662
<i>Total comprehensive income for the year attributable to:</i>			
Owners of the Company		201 971	279 327
Non-controlling interests		(519)	43
		201 452	279 370
Basic earnings per share (cents)	6	111,81	154,74
Diluted earnings per share (cents)	6	110,00	151,00

* Re-presented to include fair value gains in finance income.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 29 February 2024

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the company R'000	Non-controlling interests R'000	Total equity R'000
Balance at 28 Feb 2022	163 998	(5 699)	8 764	36	43 804	554 804	765 707	140	765 847
Total comprehensive income for the year	-	-	-	-	68 680	210 647	279 327	43	279 370
Profit for the year	-	-	-	-	-	210 647	210 647	15	210 662
Other comprehensive income	-	-	-	-	68 680	-	68 680	28	68 708
Shares bought back and cancelled	(47 170)	-	-	-	-	-	(47 170)	-	(47 170)
Treasury shares cancelled	(5 699)	5 699	-	-	-	-	-	-	-
Equity-settled share-based payment expense	-	-	326	-	-	-	326	-	326
Shares issued under share option scheme	5 779	-	(1 243)	-	-	-	4 536	-	4 536
Share issue costs	(42)	-	-	-	-	-	(42)	-	(42)
Transfer of equity-settled share-based payment reserve	-	-	(1 778)	-	-	1 778	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	-	9	9
Balance at 28 Feb 2023	116 866	-	6 069	36	112 484	767 229	1 002 684	192	1 002 876

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

For the year ended 29 February 2024

	Stated capital R'000	Treasury shares R'000	Equity-settled share-based payment reserve R'000	Revaluation reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total equity attributable to owners of the company R'000	Non-controlling interests R'000	Total equity R'000
Total comprehensive income for the year	-	-	-	-	54 099	147 872	201 971	(519)	201 452
Profit for the year	-	-	-	-	-	147 872	147 872	(526)	147 346
Other comprehensive income for the year	-	-	-	-	54 099	-	54 099	7	54 106
Shares bought back and cancelled	(49 377)	-	-	-	-	-	(49 377)	-	(49 377)
Equity-settled share-based payment expense	-	-	260	-	-	-	260	-	260
Shares issued under share option scheme	6 646	-	(846)	-	-	-	5 800	-	5 800
Share issue costs	(41)	-	-	-	-	-	(41)	-	(41)
Transfer of equity-settled share-based payment reserve	-	-	(1 828)	-	-	1 828	-	-	-
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	1 679	1 679
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(1 229)	(1 229)
Balance at 29 Feb 2024	74 094	-	3 655	36	166 583	916 929	1 161 297	123	1 161 420

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2024

	Notes	Audited 2024 R'000	Audited 2023 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13.1	110 114	352 671
Finance income		6 481	370
Finance costs		(3 426)	(6 023)
Tax paid	13.2	(61 123)	(71 889)
Net cash from operating activities		52 046	275 129
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(2 620)	(3 958)
Acquisition and development of intangible assets		(2 748)	(3 242)
Proceeds on disposals of plant and equipment		127	153
Advances to related parties		(4)	(71)
Advances of loans receivable		(70)	(2 175)
Acquisition of a subsidiary/business	13.3	2 549	(1 927)
Net cash used in investing activities		(2 766)	(11 220)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings		(14 746)	(30 587)
Payment of lease liabilities		(20 885)	(16 096)
Proceeds from issue of share capital		5 759	4 494
Treasury shares acquired		(49 377)	(47 170)
Repayment of related party loans		-	(288)
Dividend paid to non-controlling interest		(1 229)	-
Settlement of contingent consideration		-	(212)
Settlement of deferred consideration		(12 539)	-
Net cash used in financing activities		(93 017)	(89 859)
Net (decrease)/increase in cash and cash equivalents		(43 737)	174 050
Effect of movements in exchange rates on cash held		28 975	47 113
Cash and cash equivalents at beginning of year		491 968	270 805
Cash and cash equivalents at end of year		477 206	491 968
<i>Cash and cash equivalents comprise:</i>			
Cash and cash equivalents		477 206	491 968
Less: Bank overdrafts		-	-
Cash and cash equivalents at end of year		477 206	491 968

CONSOLIDATED SEGMENT ANALYSIS

For the year ended 29 February 2024

REPORTABLE SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	Group R'000
2024				
Gross billings	5 955 526	10 020	71 474	6 037 020
External	5 534 196	9 348	-	5 543 544
Internal	421 330	672	71 474	493 476
Revenue and net interest income	628 085	9 699	-	637 784
Depreciation and amortisation	(27 936)	(65)	(115)	(28 116)
Impairment loss on intangible assets	(896)	-	(14 567)	(15 463)
Impairment loss on investment in associate	(333)	-	-	(333)
Employee benefit expenses	(268 760)	(4 323)	(22 602)	(295 685)
Operating profit	178 598	5 122	11	183 731
Finance income	11 136	382	14 660	26 178
Finance costs	(2 189)	(15)	(2 749)	(4 953)
Income tax expense	(51 207)	(1 397)	(5 006)	(57 610)
Profit for the year	136 338	4 092	6 916	147 346
Capital expenditure	5 220	21	92	5 333
Segment assets	1 447 455	1 250	338 505	1 787 210
Segment liabilities	607 313	969	17 508	625 790
2023				
Gross billings	7 056 599	9 371	52 677	7 118 647
External	6 415 680	8 673	-	6 424 353
Internal	640 919	698	52 677	694 294
Revenue and net interest income	658 650	9 371	-	668 021
Depreciation and amortisation	(21 500)	(52)	(148)	(21 700)
Employee benefit expenses	(226 034)	(5 371)	(34 369)	(265 774)
Share of profit of associate, net of tax	355	-	-	355
Operating profit/(loss)	284 371	3 457	(2 233)	285 595
Finance income	5 954	67	(4 219)	1 802
Finance costs	(4 206)	-	(2 549)	(6 755)
Income tax expense	(67 757)	(703)	(1 520)	(69 980)
Profit/(loss) for the year	218 362	2 821	(10 521)	210 662
Capital expenditure	6 672	144	60	6 876
Segment assets	1 486 248	885	312 836	1 799 969
Segment assets excluding investment in associate	1 484 301	885	312 836	1 798 022
Investment in associate	1 947	-	-	1 947
Segment liabilities	751 185	937	44 971	797 093

CONSOLIDATED SEGMENT ANALYSIS continued

For the year ended 29 February 2024

GEOGRAPHICAL INFORMATION	LOGISTICS SERVICES					
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	North America R'000	Total R'000
2024						
Gross billings	3 198 545	649 567	1 171 837	769 891	165 686	5 955 526
Revenue and net interest income	180 232	90 082	198 308	133 976	25 487	628 085
Operating profit/(loss)	65 114	13 608	64 526	48 569	(13 219)	178 598
Profit/(loss) for the year	50 851	11 069	50 569	38 747	(14 898)	136 338
Segment assets	606 501	156 971	351 026	270 330	338 505	1 787 210
Segment liabilities	304 853	52 502	118 438	96 705	34 815	607 313
2023						
Gross billings	3 286 932	1 029 434	1 535 136	1 141 457	63 640	7 056 599
Revenue and net interest income	191 211	109 106	196 589	151 914	9 830	658 650
Operating profit/(loss)	85 687	52 184	72 959	74 786	(1 245)	284 371
Profit/(loss) for the year	63 095	42 412	58 629	56 004	(1 778)	218 362
Segment assets	625 308	198 977	319 060	269 642	73 261	1 486 248
Segment liabilities	356 429	65 845	142 887	134 941	51 083	751 185

SUPPLEMENTARY INFORMATION

for the year ended 29 February 2024

1. BASIS OF PREPARATION

The audited summarised consolidated financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS") and the South African Institute for Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and comply with the Listing Requirements of the JSE Limited ("JSE") and the Companies Act of South Africa (Act No. 71 of 2008) ("the Companies Act").

The full consolidated financial statements from which these summarised consolidated financial statements were derived are available on request from the Group's registered office.

These summarised consolidated financial statements and the full consolidated financial statements have been prepared under the supervision of Mr JS Robertson, CA (SA) and were approved by the Board of Directors ("the Board") on 15 May 2024.

2. ACCOUNTING POLICIES

The accounting policies applied in preparation of these summarised consolidated financial statements are consistent with those applied in the summarised consolidated financial statements for the year ended 28 February 2023.

	Audited 2024 R'000	Audited 2023 R'000
3. REVENUE		
Gross billings	5 543 544	6 424 353
Less: recoverable disbursements	(4 905 760)	(5 756 332)
Revenue and net interest income	637 784	668 021
Revenue from contracts with clients		
Revenue from the provision of services comprises:	617 728	654 379
Logistic services	607 708	645 008
Insurance commission and management fees	10 020	9 371
Net interest income from the provision of credit facilities comprises:	20 056	13 642
Interest and financing fee income	39 747	35 461
Interest and financing fee expenses	(19 691)	(21 819)
Revenue and net interest income	637 784	668 021

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

4. FINANCE INCOME

	Audited 2024 R'000	Audited 2023 R'000
Cash and cash equivalents	6 481	370
Fair value gain on contingent consideration (<i>refer to note 8</i>)	18 310	345
Fair value gain on financial instruments	1 387	1 087
Included in profit or loss	26 178	1 802
Interest and financing fee income included in revenue (<i>refer to note 3</i>)	39 747	35 461
Total finance income	65 925	37 263

5. FINANCE COSTS

	Audited 2024 R'000	Audited 2023 R'000
Fair value loss on deferred consideration	62	430
Fair value loss on contingent consideration (<i>refer to note 8</i>)	1 465	537
Lease liabilities	1 289	1 696
Interest-bearing borrowings	2 061	3 914
Amounts owing to related parties	-	-
Other interest paid	76	178
Included in profit or loss	4 953	6 755
Interest and financing fee expenses included in revenue (<i>refer to note 3</i>)	19 691	21 819
Total finance income	24 644	28 574

SUPPLEMENTARY INFORMATION continued

For the year ended 29 February 2024

6. EARNINGS PER SHARE

		Audited 2024	Audited 2023
Basic earnings per share	(cents)	111,81	154,74
Headline earnings per share ("HEPS")	(cents)	123,77	154,83
Diluted earnings per share	(cents)	110,00	151,00
Diluted HEPS	(cents)	121,77	151,09

Reconciliation between basic and headline earnings:	Profit from ordinary activities R'000	Taxation effect R'000	Non- controlling interests R'000	Net effect R'000
2024				
Profit for the period/Basic earnings	204 956	(57 610)	526	147 872
<i>Adjusted for:</i>				
- Loss on disposal of plant and equipment	31	(8)	-	23
- Impairment losses on computer software	210	-	-	210
- Impairment losses on trademarks and licences	686	-	-	686
- Impairment loss on goodwill	14 567	-	-	14 567
- Impairment loss on investment in associate	333	-	-	333
Headline earnings	220 783	(57 618)	526	163 691
2023				
Profit for the period/Basic earnings	280 642	(69 980)	(15)	210 647
<i>Adjusted for:</i>				
- Loss on disposal of plant and equipment	177	(50)	-	127
Headline earnings	280 819	(70 030)	(15)	210 774

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

6. EARNINGS PER SHARE continued

	2024 Shares 000's	2023 Shares 000's
Numbers of shares used in the calculations:		
Shares in issue at end of year	129 610	133 556
Weighted Average Number of Ordinary Shares ("WANOS") at end of year	132 255	136 130
Diluted WANOS at end of year	134 429	139 503
Reconciliation of WANOS to Diluted WANOS:		
WANOS at end of year	132 255	136 130
Effect of unexercised share options	2 174	3 373
Diluted WANOS at end of year	134 429	139 503

7. INTANGIBLE ASSETS

	Audited 2024 R'000	Audited 2023 R'000
Goodwill		
Carrying amount at beginning of year	351 081	289 078
Acquisition through business combination	-	38 272
Impairment loss ¹	(14 567)	-
Effects of exchange differences	23 914	23 731
Carrying amount at end of year	360 428	351 081
Other intangibles		
Carrying amount of computer software and indefinite useful life intangible assets	9 155	10 760
Total intangible assets	369 583	361 841

¹Goodwill allocated to Santova Logistics, USA which was impaired by R14,6 million during the current reporting period. The losses incurred over the past 18 months together with the lower freight rates and uncertainty in the market have led management to forecast more conservatively, which resulted in a downward revision to the recoverable amount of the cash-generating unit ("CGU") using a value-in-use calculation. The goodwill and impairment loss have been included in the Group segment in the Segment Analysis. The sensitivity of the calculations to changes in the key assumptions has been stress-tested through the financial modelling of various scenarios and management is satisfied that adequate headroom remains in the assessment of the recoverable amount of the remaining CGUs.

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Level	Audited 2024 R'000	Audited 2023 R'000
Financial assets at fair value through profit or loss			
<i>Non-current</i>			
Future profit share on rental agreement ¹	2	3 502	3 502
Guardrisk cell captive ²	2	5 542	4 155
		9 044	7 657
<i>Current</i>			
Forward exchange contracts	2	42	-
		42	-
Financial liabilities at fair value through profit or loss			
<i>Non-current</i>			
Contingent considerations ³	3	-	(16 088)
		-	(16 088)
<i>Current</i>			
Forward exchange contracts	2	-	(291)
Financial liabilities at amortised cost			
<i>Current</i>			
Deferred consideration ⁴		-	(12 898)
		-	(13 189)

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

There were no transfers between the fair value hierarchy levels during the reporting periods.

¹ Santova Logistics (Pty) Ltd (SA) ("Santova Logistics") entered into a profit-sharing agreement with the landlord of their Durban premises at inception of the lease in the 2007 reporting period. This agreement gives Santova Logistics a specified portion of the actual or deemed profit made should the building be sold or vacated. The inputs used to determine the fair value of the profit-share are as follows:

Current net market rental (including parking bays)	R144 per m ²
Capitalisation rate (on a vacant basis)	10,75%

² This represents the fair value of the investment by Santova Logistics in a cell captive administered by Guardrisk, and is recognised as a financial asset with changes in fair value being recognised in profit or loss for the reporting period. The fair value of the cell captive is determined as the net asset value that represents fair value.

In the event of claims being lodged in terms of the Marine Insurance Policy, the insurance cell captive referred to in this note will be required to cover the first R50 000 of any claim up to a limit of R100 000 for any one loss or series of losses arising from the same event. The balance of the claim is covered by the Marine Insurance Policy's underwriters.

The maximum liability of the cell captive is limited to R750 000 per reporting period, provided that this is matched by the premiums received during the reporting period. Should the premiums received for the reporting period amount to less than R750 000, Santova Logistics will be liable to fund the cell captive to cover the shortfall.

The cell has received premiums in excess of the R750 000 minimum required during both reporting periods. The Group drew dividends of RNil (2023: RNil) during the reporting period.

Based on the claims history, insurance legislation and the likelihood of future claims, the directors believe that the cell captive has adequate reserves and provisions to cover future claims.

³ This represents the fair value of the remaining contingent purchase obligations arising from acquisitions. The fair value of the liabilities has been calculated as the net present value of the warranty payments, a discounted cash flow method, which management reasonably expects to be achieved, as set out in the acquisition agreements, discounted at the weighted average cost of capital for the acquired entities. The financial liability is reconciled as follows:

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

	Audited 2024 R'000	Audited 2023 R'000
Carrying amount at beginning of year	16 088	558
Contingent consideration recognised on acquisition of business	-	14 908
Fair value loss	1 465	537
Fair value gain	(18 310)	(345)
Foreign exchange gain on translation	-	(1)
Foreign exchange loss on translation recognised in foreign currency translation reserve	757	643
Settled during the period	-	(212)
Carrying amount at end of year	-	16 088

The remaining contingent consideration relates to the following acquisition that was successfully completed during the prior reporting period:

Acquiring company	Target company/business	Carrying amount 2024 R'000	Carrying amount 2023 R'000
Santova USA Holdings Inc.	A-Link Freight	-	16 088

The fair value of the remaining contingent consideration is determined considering the expected payment, discounted to present value using a risk adjusted discount rate of 8,6%. The expected payment is determined by taking into consideration the expected level of profitability of each acquisition over the warranty period.

⁴This represents the deferred consideration in respect of the acquisition of the business of A-Link, which was settled in full in the current reporting period.

9. NON-CURRENT ASSET HELD FOR SALE

	Audited Group 2024 R'000	Audited Group 2023 R'000
Carrying amount at beginning of year	9 130	-
Transfer from property, plant and equipment	-	9 130
Effects of exchange differences	868	-
Carrying amount at end of year	9 998	9 130

During the prior reporting period a subsidiary, Tradeway North West Limited, committed to a plan to dispose of a building located in Manchester, UK. Management expected the sale to be completed in the current reporting period, however, due to delays in obtaining various approvals the sale is now only expected to be completed in the next reporting period. The non-current asset held for sale is included in the logistics services segment assets in the Group Segment Analysis.

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

10. STATED CAPITAL

	Audited 2024 R'000	Audited 2023 R'000
Authorised		
300 000 000 Ordinary shares of no par value (2023: 300 000 000 Ordinary shares of no par value)		
Issued		
129 609 951 Ordinary shares of no par value (2023: 133 555 821 Ordinary shares of no par value)	74 094	116 866
Total stated capital	74 094	116 866
Reconciliation of the carrying amount of ordinary shares in issue:		
Carrying amount at beginning of year	116 866	163 998
Exercise of share options ¹	6 646	5 779
Share issue costs	(41)	(42)
Treasury shares cancelled ²	-	(5 699)
Shares bought back and cancelled ³	(49 377)	(47 170)
Carrying amount at end of year	74 094	116 866
Reconciliation of number of ordinary shares in issue:		
	2024 '000 Shares	2023 '000 Shares
Carrying amount at beginning of year	133 556	137 089
Exercise of share options ¹	2 138	2 571
Shares bought back and cancelled ³	(6 084)	(6 104)
Carrying amount at end of year	129 610	133 556

¹ During the reporting period, seven (2023: ten) participants of the Santova Share Option Scheme exercised their options for 2 138 298 (2023: 2 569 446) ordinary shares in the Company at a weighted average price of 311 cents (2023: 225 cents) per share.

² During the previous reporting period, 1 329 736 treasury shares originally purchased from the open market by Santova Financial Services (Pty) Ltd were cancelled, resulting in a reduction of the total issued share capital of the Company.

³ During the current reporting period, the Company repurchased a total of 6 084 168 (2023: 6 104 141) of its ordinary shares on the open market for a total consideration of R49 377 140 (2023: R47 170 335).

The above repurchase transactions were executed in terms of the general authority granted by shareholders at its AGM. All unissued shares are placed under the control of the directors.

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

11. PROVISIONS

	Audited 2024 R'000	Audited 2023 R'000
Provision for legal claims	-	12 207
	-	12 207

During the current reporting period the Group entered into a settlement agreement and made payment for full and final settlement in respect of the legal claim. Management consider the matter to be finalised and have derecognised the provision.

Reconciliation of movements in provisions:

Carrying amount at beginning of year	12 207	11 334
Provision raised	-	4 954
Provision released	(9 685)	(5 549)
Settled during the period	(2 846)	-
Foreign exchange loss	324	1 468
Carrying amount at end of year	-	12 207

12. FOREIGN CURRENCY DENOMINATED ITEMS

The statement of financial positions of foreign operations are translated at the closing rates of exchange and the income statements are translated at the average exchange rates as indicated below.

		29-Feb-24		28-Feb-23	
		Average rate	Closing rate	Average rate	Closing rate
Exchange rates to South African Rand					
Euro	EUR	20,2198	20,8015	17,4102	19,4947
Pound Sterling	GBP	23,3698	24,3019	20,2259	22,1942
US Dollar	USD	18,6669	19,2139	16,7001	18,3906
Australian Dollar	AU\$	12,2970	12,4966	11,5068	12,3827
Hong Kong Dollar	HK\$	2,3850	2,4545	2,1308	2,3431
Mauritian Rupee	MUR	0,4035	0,4122	0,3660	0,3871
Vietnamese Dong	VND	0,0008	0,0008	0,0007	0,0008
Thai Baht	THB	0,5313	0,5351	0,4743	0,5217
Singapore Dollar	SGD	13,8773	14,2834	12,1410	13,6412

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

13. NOTES TO THE STATEMENTS OF CASH FLOWS

	Audited 2024 R'000	Audited 2023 R'000
13.1 Cash generated from operations		
Profit before tax	204 956	280 642
<i>Adjustments for:</i>		
Depreciation and amortisation	28 116	21 700
Loss on disposal of plant and equipment	31	177
Impairment losses on computer software	210	-
Impairment losses on trademarks and licences	686	-
Impairment loss on goodwill	14 567	-
Impairment loss on investment in associate	333	-
Finance income	(26 178)	(1 802)
Finance costs	4 953	6 755
Foreign exchange (gains)/losses	(333)	548
Movement in defined benefit plan liability	(83)	(92)
Equity-settled share-based payment expense	260	326
Share of profit of associate, net of tax	-	(355)
Gain on lease modification	(598)	-
<i>Working capital changes:</i>		
(Decrease)/increase in discounting of trade receivables	(34 692)	6 950
Decrease in trade and other receivables	1 127	138 534
Decrease in trade and other payables and provisions	(83 241)	(100 712)
	110 114	352 671
13.2 Tax paid		
Net tax payable at the beginning of the year	(19 905)	(20 447)
Income tax expense recognised in profit or loss	(48 289)	(69 355)
Foreign exchange translation	(1 250)	(1 992)
Net tax payable at the end of the year	8 321	19 905
	(61 123)	(71 889)

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

13. NOTES TO THE STATEMENTS OF CASH FLOWS continued

	Audited 2024 R'000	Audited 2023 R'000
13.3 Acquisition of a business		
Fair value of assets acquired and liabilities assumed:		
Property, plant and equipment	26	102
Trade and other receivables	1 066	12 698
Right-of-use ("ROU") assets	-	3 340
Deferred tax	-	1 896
Cash and cash equivalents	2 549	9 484
Trade and other payables	(348)	(23 529)
Lease liabilities	-	(3 991)
Net assets acquired	3 293	-
Non-controlling interest	(1 679)	-
Goodwill	-	38 272
Total consideration	1 614	38 272
Less: fair value of existing investment	(1 614)	-
Deferred payment	-	(12 898)
Contingent consideration (<i>refer to note 8</i>)	-	(16 088)
Finance costs relating to financial liability (<i>refer to note 8</i>)	-	967
Effects of foreign currency translation	-	1 158
Settled in cash	-	11 411
Less: cash and cash equivalents acquired on acquisition	(2 549)	(9 484)
Net cash (inflow)/outflow in respect of acquisition	(2 549)	1 927

Acquisition of business during the current reporting period

During the reporting period, the Articles of Association of ASM Logistics (Thailand) Co. Ltd ("ASM Thailand") were amended, securing the enforceability of the shareholder agreement and giving the Group control of ASM Thailand from 1 March 2023. The Company derecognised the existing investment in associate and started to consolidate ASM Thailand as a subsidiary from this date onwards. No goodwill was recognised on acquisition.

In October 2023, the Group made a strategic decision to divest from the region and completed the liquidation and dissolution of ASM Thailand in January 2024.

SUPPLEMENTARY INFORMATION continued

for the year ended 29 February 2024

14. 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.

15. APPROVAL OF FINANCIAL STATEMENTS

The summarised consolidated financial statements were approved by the Board on 15 May 2024.

16. AUDIT OPINION

These summarised consolidated financial statements for the year ended 29 February 2024 have been audited by the Group's Independent auditor, Moore Johannesburg Inc. ("Moore"), who has expressed an unmodified opinion thereon. The auditor has also expressed an unmodified opinion on the consolidated financial statements for the year ended 29 February 2024 from which these summarised consolidated financial statements were derived. The summarised consolidated financial results comprise the statements of financial position at 29 February 2024 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes. A copy of the auditor's report on the summarised consolidated financial statements and the auditor's report on the consolidated and separate financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's report. Moore has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly has not express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

DIVIDEND ANNOUNCEMENT

The directors have declared that given the Group's continued focus on building value per share, the Group's cash resources are best applied by reinvesting in the business and therefore no dividend has been declared for the 2024 financial year.

By order of the Board

J Lupton

Company Secretary

15 May 2024

CORPORATE INFORMATION

SANTOVA LIMITED

Country of Incorporation
Republic of South Africa

Registration Number
1998/018118/06

Share Code
SNV

SIN
ZAE000159711

NATURE OF BUSINESS

International technology-based trade solutions specialist

DIRECTORS

Independent Non-Executive Directors

ME Stewart (Chairman)
ESC Garner
EM Ngubo
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
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JSE SPONSOR

River Group
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Pretoria, 0145, South Africa

GROUP AUDITOR

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SHARE REGISTRAR

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CORPORATE BANKERS

Nedbank Limited
PO Box 1144, Sandown, 2196, South Africa

A Specialist Provider of Innovative Global Trade Solutions.

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

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