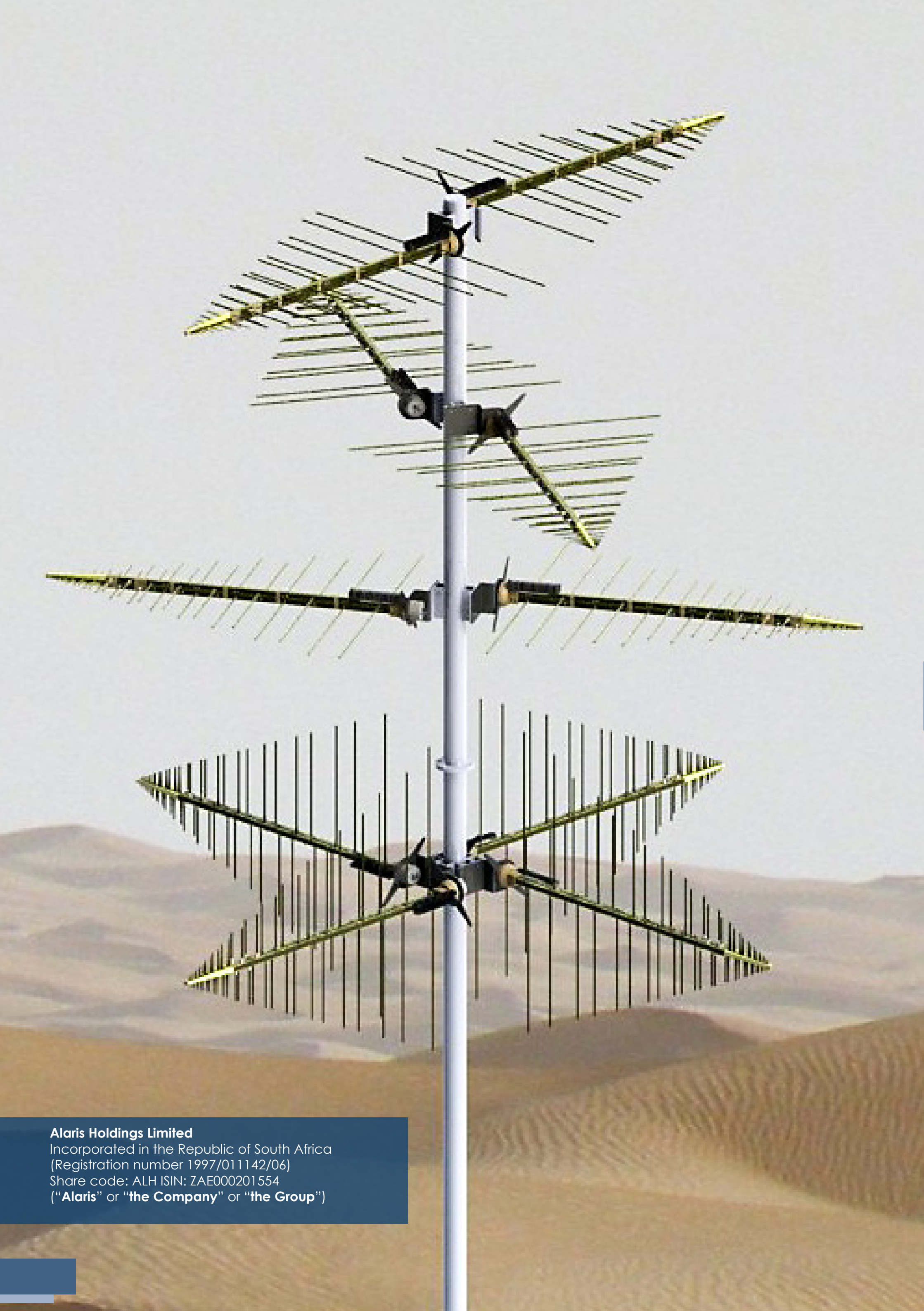
UNAUDITED CONDENSED CONSOLIDATED RESULTS

For the six months ended 31 December 2019

ALARIS HOLDINGS



Alaris Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1997/011142/06)
Share code: ALH ISIN: ZAE000201554
("**Alaris**" or "**the Company**" or "**the Group**")

HIGHLIGHTS

60%

Revenue increased by **60% from R85.0 million to R136.3 million.**

260%

Profit after tax increased by **260% from R6.4 million to R23.1 million**

256%

Headline earnings per share increased by **256% from 5.42 cents to 19.27 cents.**

R82.1 MILLION

Strong cash position of **R82.1 million as at 31 December 2019.**

WHAT WE ARE ALL ABOUT

Alaris Holdings Limited is a Radio Frequency ("RF") technology holding company listed on the JSE AltX since July 2008.

The **Alaris Group** consists of:

Alaris Antennas, founded in 1997 and headquartered in Centurion, South Africa, designs, develops, manufactures and sells state-of-the-art, specialised broadband antennas and other related RF products used in the communication, frequency spectrum monitoring, testing and measurement, electronic warfare and other specialised markets. Its client base, consisting of system integrators, frequency spectrum regulators and players in the homeland security space, is located across the globe – mostly outside of South Africa – in the Americas, Europe and Asia.

COJOT, founded in 1986 and located in Espoo, Finland, serves military and public safety markets globally. With more than 30 years of experience, COJOT designs, develops and manufactures innovative broadband antennas that improve the connectivity, coverage and competitiveness of radio equipment deployed to save lives and protect property.

mWAVE, based in Windham, Maine in the United States, is a leading global provider of advanced custom and commercial microwave antenna solutions. The company, established in 2004, designs and manufactures standard and custom microwave antenna products for commercial and government applications spanning the scientific, defense and academic communities.

Alaris USA, trading as a division of mWAVE Industries and based in Windham, Maine, was established in 2019 to sell and support specialised antennas and other RF related products designed by COJOT and Alaris Antennas to its customer base in North America. Its products are used in the communication, frequency spectrum monitoring, testing and measurement, counter unmanned aircraft systems (UAS), electronic warfare and other specialised markets. Like COJOT and Alaris Antennas, Alaris USA clients are system integrators, frequency spectrum regulators, government end users and players in the homeland security space.

The results of the combined operations for the first half showed a substantial increase compared to the comparative period. Revenue increased by 60% from R85.0 million to R136.30 million and profit after tax ("PAT") increased by 260% from R6.4 million to R23.1 million. Headline earnings per share increased by 256% from 5.42 cents to 19.27 cents.

The strong results of the Group can be attributed to a noteworthy first half in revenue for both Alaris Antennas and COJOT, compared to the corresponding interim period. Alaris Antennas was able to execute on three major orders, while COJOT delivered on orders received in the second half of the previous financial year. Another contributor to the significant improvement is that mWAVE has been consolidated into the Group for the full six-month period, compared to only three months in the comparative period. During the comparative first half of FY19, the Group was impacted by a lower order intake.

The Group's cash position at 31 December 2019 was R82.1 million, with about 45% of the funds located in South Africa. Late invoicing in June 2019, caused the recovery of funds in the first half of the 2020 financial year which resulted in more cash in the bank. Surplus cash will continue to support the Group's intention to expand the global footprint through suitable acquisitions.

During December 2019, PSG Alpha Investments Proprietary Limited ("PSG Alpha") disposed of its entire 25% interest in the securities of the Company to Tadvest Limited ("Tadvest"). Accordingly, Tadvest's shareholding in Alaris is now 25%. The management team welcomes Tadvest to the Group.

Alaris Antennas

Revenue increased by 12% from R53.9 million to R60.5 million and PAT increased by 50% from R9.4 million to R14.0 million.

The positive growth in revenue and PAT for Alaris Antennas can mainly be attributed to three high value orders. The orders included large volumes on two fully developed products. The high volume manufacturing resulted in healthy margins for the company.

The strategy of focusing on closer client interaction earlier in the program cycle to ensure that Alaris products are designed into a larger system, is bearing results. As a consequence of this strategy, Alaris executed on large repeat orders during the first half, allowing the engineering team to focus on the design of products that were identified in the product roadmap to secure future programs and new customers. This led to the innovative development of 3 new products, adding to its competitive advantage and ability to develop cutting-edge technology solutions for its clients in a niche market.

Approximately 90% of revenue is derived from exports - providing a strong justification to continue the push to increase the Group's footprint globally.

COJOT

COJOT had a very good first half, achieving a substantial revenue growth of 88% from R22.1 million to R41.5 million, and a 240% increase in PAT from R3.6 million to R12.2 million compared to the comparative period.

The strong growth was from large sales orders secured towards the end of the previous financial year. This demonstrates the potential for uneven revenue across periods, especially with bigger projects that have longer sales cycles.

The order intake decreased towards the end of the period, compared to the comparative record-high level last year.

Smart antenna activities are on the increase at COJOT. The company executed several sample deliveries of these products and has ongoing sales projects for higher volumes of switched beam array antennas. We are confident that these antennas will assist with the future organic growth of COJOT.

mWAVE Industries LLC

- **mWAVE**

  mWAVE contributed for a full 6 months to the first half, compared to only 3 months in the comparative period. It achieved revenue of R34.4 million and a PAT of R4.2 million. The PAT in this first half is 27% more than the total PAT for the 9 months consolidated in the 2019 financial year.

  Revenue was helped by a good order intake at the end of last year. Continued efforts are made to improve overall margins.

  Operational activities to align mWAVE with the Group's strategic objectives have been a key focus in the current period. A new ERP system was implemented in November 2019, which brought mWAVE onto the same platform as the Group. It will assist us in tracking and driving margin improvement. mWAVE also completed the expansion of its premises in October 2019.

- **Alaris USA**

  As of 1 June 2019, the new Alaris USA has been created as a division of mWAVE Industries to sell and support specialised antennas and other RF related products designed by COJOT and Alaris Antennas to its customer base in North America.

  The handover process of Alaris Antennas and COJOT customers in the USA to Alaris USA has been completed. Valuable prospects are being unlocked with the presence of Alaris USA and increased inter-segmental activities contribute to the positive outlook for organic growth. The team is working very closely with the Research & Development, Product Management and Industrialisation teams at both Alaris Antennas and COJOT. This results in closer co-operation with customers in the USA and Canada and contributes to the value and service provided to the customers. This entity contributed R6.4 million of the cross-selling from COJOT and Alaris Antennas.

Corporate and consolidation

This division includes costs associated with being a listed entity and the running costs of shared services. An example of this is the centralised treasury function, where foreign currency hedging is managed. The following are the main costs before tax included in this segment:

- Net foreign exchange gains of R0.2 million (Dec 2018: R0.5 million)
- Employee costs, cost of the share incentive option scheme for Group executives and board fees totaling R6.1 million (Dec 2018: R4.0 million)
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees, group audit fees and legal fees for the mWAVE acquisition totaling R1.2 million (Dec 2018: R2.9 million)

PROSPECTS

The Group objective of becoming the preferred supplier of innovative RF products both locally and internationally is gaining momentum with its latest strategic acquisition.

Alaris Antennas

Alaris Antennas has established itself in the industry as a specialist Direction Finding (DF) antenna supplier, with a highly skilled and specialised team of engineers uniquely positioned to support the company's objective of being the preferred supplier and partner of advanced RF products. The company will be using this key differentiator to encourage further expansion and organic growth.

The strategy remains to focus on closer client interaction in order to understand their specific needs, to provide a customised technical solution and ensure that Alaris Antennas products are designed into larger systems. This approach is leading to sizeable repeat sale opportunities, which will enhance the open order book with more consistent deliveries over a number of years. Alaris has a good mix of repeat orders in the pipeline which will flow through production processes and orders for delivery.

The opportunities identified for the newly developed products will be further pursued over the next few months to secure the orders and deliver these products successfully as a designed-in solution.

COJOT

COJOT's years of design, development and manufacturing expertise have enabled the company to offer reliable and durable antenna equipment for use in some of the most demanding environments in the world. Like Alaris Antennas, the company has a strong client-centric approach, resulting in close relationships with its customers. The company makes use of a direct sales team and selected channel partners to build its order book.

At present, the US market is still insignificant for COJOT. However, with the Alaris USA entity having been established to service the North American market for COJOT, there is opportunity for a significant growth in sales into new market segments, and COJOT expects several new opportunities to be created. This will contribute to future organic growth for the company. Although the order intake has slowed towards the end of the first half (compared to last year), we still remain positive about longer term organic growth prospects for COJOT.

Since the acquisition of COJOT, the company has expanded and its staff complement has increased in such a way that they have outgrown the current premises. They will be expanding their premises in the second half of the year.

mWAVE Industries LLC

- **mWAVE**

  Since a major part of the global electronic warfare market is located in the USA, mWAVE is perfectly positioned for organic growth. Its product lines complement those of the Group's other subsidiaries, providing a further positive outlook for future growth.

  The company will continue to focus on improving margins and customised product sales in order to increase profits, as well as the alignment of important operational processes and best practices within the Group.

- **Alaris USA**

  The establishment of the Alaris USA division, located at mWAVE, will continue to play a key role in increasing exposure and building relationships. It will also assist in the promotion of the Alaris Group initiative of cooperative cross-selling, enabling an expanding product offering to customers.

  Alaris USA's competitive advantage lies in its ability to offer a broad range of specialised products through its partnerships and the capability to develop customised solutions for its customers. Its status as a US based entity allows the company closer interactions and relationships with its customer base in North America, giving Alaris USA invaluable access to the largest defense market in the world.

  Products are designed and manufactured by two fellow subsidiaries in the Group, namely Alaris Antennas in South Africa and COJOT in Finland. Alaris USA maintains a close relationship with the technical teams in both locations, which has allowed for several new opportunities to be created. The company is successfully entering into new market segments.

  Further opportunities for growth exist in the addition of distributors, agents and new system houses as clients. Should the need arise from US customers for products to be made in the USA, Alaris USA may develop its own manufacturing capacity, building on the platform that mWAVE Industries has in place. Product design and manufacturing therefore exists as a future opportunity.

The Group

The entities in the Group are strongly focused on research and development. They hold invaluable, exploitable patented technologies that can be monetised into the future. Cross-selling opportunities and processes are in place to further capitalise on synergies between the subsidiaries.

Sustainable organic growth will remain a strategic priority for the Group, whilst operational activities are continuously aligned as the operations expand.

The design and development of new products based on the uniquely combined skill sets of the four entities will continue to provide competitive features and enable increased performance for end users. All four entities relentlessly strive to provide their customers with a technological edge through constant product innovation and excellent service.

The Group's global strategy remains one of bold international expansion. Prospects for the period ahead are decidedly positive. By diversifying into different territories and entering new market segments, the management team's focus is to ensure ongoing profitable organic and acquisitive growth for the Alaris Holdings Group and its stakeholders.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

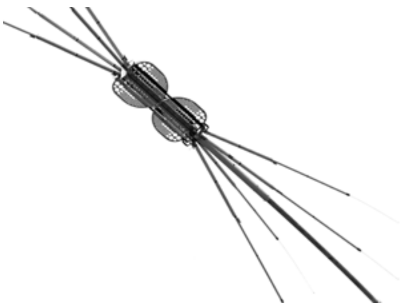
R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018 Restated [A]	Audited June 2019
Revenue [B]	136 339	85 043	245 184
Cost of sales	(42 549)	(27 699)	(77 871)
Gross profit	**93 790**	**57 344**	**167 313**
Other income	170	585	1 111
Operating expenses	(64 643)	(49 896)	(114 299)
Trading operating profit [C]	**29 317**	**8 033**	**54 125**
Finance income	856	180	430
Finance costs	(364)	(81)	(174)
Profit before taxation	**29 809**	**8 132**	**54 381**
Taxation	(6 699)	(1 710)	(13 300)
Profit for the period	**23 110**	**6 422**	**41 081**
Other comprehensive income net of tax			
Items that may be reclassified subsequently to profit or loss:	**(2 640)**	**1 204**	**28**
Gross foreign currency translation reserve	(2 941)	1 481	(50)
Taxation	301	(277)	78
Total comprehensive income	**20 470**	**7 626**	**41 109**
Weighted average number of ordinary shares in issue [D]	120 014 648	118 436 265	119 810 497
Weighted average number of diluted ordinary shares in issue [D]	122 853 248	118 436 265	122 068 163
Basic earnings per ordinary share (cents)	19.26	5.42	34.29
Diluted earnings per ordinary share (cents)	18.81	5.42	33.65
Headline earnings per ordinary share (cents)	19.27	5.42	34.29
Diluted headline earnings per ordinary share (cents)	18.82	5.42	33.65

A. The December 2018 results have been restated for the updated IFRS 3 business combination accounting for the mWave acquisition as disclosed in the June 2019 results.

B. Refer to supplementary note 4.

C. Trading operating profit comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income and finance costs.

D. Weighted average number of shares net of treasury shares.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018 Restated [A]	Audited June 2019
Assets			
Non-Current Assets			
Plant and equipment	8 852	7 351	7 242
Goodwill	41 132	42 898	42 034
Intangible assets	13 659	18 681	15 945
Deferred tax assets	13 239	8 604	11 229
Right-of-use-asset [B]	5 013	-	-
	81 895	**77 534**	**76 450**
Current Assets			
Inventories	21 765	25 124	19 080
Current tax receivable	73	5 678	94
Trade and other receivables	55 897	38 841	80 935
Cash and cash equivalents	82 065	18 458	41 836
	159 800	**88 101**	**141 945**
Total Assets	**241 695**	**165 635**	**218 395**
Equity and Liabilities			
Equity			
Equity attributable to owners of the Company			
Share capital	6	6	6
Share premium	206 139	210 164	207 283
Share-based payment reserve	13 228	8 856	9 941
Foreign currency translation reserve ("FCTR")	(4 761)	(945)	(2 121)
Accumulated loss	(27 270)	(84 586)	(49 927)
Total Equity	**187 342**	**133 495**	**165 182**
Liabilities			
Non-Current Liabilities			
Loans and borrowings	1 208	1 309	1 266
Lease liabilities [B]	3 334	-	-
Deferred tax liabilities	2 124	922	2 475
	6 666	**2 231**	**3 741**
Current Liabilities			
Loans and borrowings	687	461	588
Trade and other payables	43 225	29 448	43 617
Current tax payable	1 221	-	5 267
Lease liabilities [B]	2 554	-	-
	47 687	**29 909**	**49 472**
Total Liabilities	**54 353**	**32 140**	**53 213**
Total Equity and Liabilities	**241 695**	**165 635**	**218 395**

A. The December 2018 results have been restated for the updated IFRS 3 business combination accounting for the mWave acquisition as disclosed in the June 2019 results.

B. Refer to supplementary note 5.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018	Audited June 2019
Profit before taxation	29 809	8 132	54 381
Adjusted for non-cash items	6 072	3 911	9 765
Working capital changes	21 961	(9 262)	(31 143)
Cash generated from operations	**57 842**	**2 781**	**33 003**
Net finance income	737	96	213
Taxation paid	(12 442)	(5 755)	(7 284)
Net cash from/ (used in) operating activities	**46 137**	**(2 878)**	**25 932**
Cash flows from investing activities			
Additions to plant and equipment	(3 148)	(1 063)	(2 385)
Proceeds on disposal of plant and equipment	15	-	20
Additions to intangible assets	(308)	(177)	(218)
Acquisition of subsidiary	-	(30 151)	(30 151)
Net cash used in investing activities	**(3 441)**	**(31 391)**	**(32 734)**
Cash flows from financing activities			
Receipts of loans and borrowings	41	94	178
Total cashflows for leases ^	(1 151)	-	-
Acquisition of treasury shares – Share Incentive Scheme	(1 234)	-	(3 178)
Net cash (used in)/ from financing activities	**(2 344)**	**94**	**(3 000)**
Net increase/(decrease) in cash and cash equivalents for the period	40 352	(34 175)	(9 802)
Cash and cash equivalents at the beginning of the year	41 836	51 679	51 679
Effect of exchange rate movement on cash balances	(123)	954	(41)
Total cash and cash equivalents at end of the half year	**82 065**	**18 458**	**41 836**

^ Refer to supplementary note 5.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Share capital and preference shares	Share premium	Share based payment reserve	FCTR	Accumu-lated loss	Total equity
Six months ended						
Balance at 1 July 2019	**6**	**207 283**	**9 941**	**(2 121)**	**(49 927)**	**165 182**
Adjustment from the adoption of IFRS 16	-	-	-	-	(453)	(453)
Adjusted balance at 1 July 2019	**6**	**207 283**	**9 941**	**(2 121)**	**(50 380)**	**164 729**
Total comprehensive income for the period:	**-**	**-**	**-**	**(2 640)**	**23 110**	**20 470**
- Profit for the period	-	-	-	-	23 110	23 110
- Foreign currency translation reserve	-	-	-	(2 640)	-	(2 640)
Share-based payment charge for existing options	-	-	3 376	-	-	3 376
Share options exercised on net basis	-	(169)	(89)	-	-	(258)
Movement in treasury shares	*	(975)	-	-	-	(975)
Balance at 31 December 2019	**6**	**206 139**	**13 228**	**(4 761)**	**(27 270)**	**187 342**
Balance at 1 July 2018 – Restated	**6**	**202 051**	**7 428**	**(2 149)**	**(91 008)**	**116 328**
Total comprehensive income for the period:	**-**	**-**	**-**	**1 204**	**6 422**	**7 626**
- Profit for the period	-	-	-	-	6 422	6 422
- Foreign currency translation reserve	-	-	-	1 204	-	1 204
Share-based payment charge for existing options	-	-	1 428	-	-	1 428
Shares issued for mWAVE acquisition	*	8 113	-	-	-	8 113
Balance at 31 December 2018	**6**	**210 164**	**8 856**	**(945)**	**(84 586)**	**133 495**
Year ended						
Balance at 1 July 2018	**6**	**202 051**	**7 428**	**(2 149)**	**(91 008)**	**116 328**
Total comprehensive income for the year:	-	-	-	28	41 081	41 109
- Profit for the year	-	-	-	-	41 081	41 081
- Foreign currency translation reserve	-	-	-	28	-	28
Share-based payment charge for existing options	-	-	2 808	-	-	2 808
Share options exercised on net basis	-	112	(295)	-	-	(183)
mWAVE acquisition settled in shares	*	8 113	-	-	-	8 113
Movement in treasury shares	*	(2 993)	-	-	-	(2 993)
Balance at 30 June 2019	**6**	**207 283**	**9 941**	**(2 121)**	**(49 927)**	**165 182**

* Nominal amount – amount smaller than R1 000.

SEGMENTAL ANALYSIS

R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018 Restated [A]	Audited June 2019
Segmental revenue			
Alaris Antennas	60 528	53 943	129 075
- Total revenue	67 155	54 051	129 885
- Inter-segmental	(6 627)	(108)	(810)
COJOT	41 454	22 071	84 058
- Total revenue	43 866	22 685	85 488
- Inter-segmental	(2 412)	(614)	(1 430)
mWAVE	34 357	9 029	32 051
- Total revenue	34 357	9 029	32 051
- Inter-segmental	-	-	-
	136 339	**85 043**	**245 184**
Earnings before interest, tax, depreciation and amortisation (EBITDA) [B]			
Alaris Antennas	20 547	13 472	42 362
COJOT	15 638	4 789	30 227
mWAVE	6 403	204	4 856
Corporate and consolidation	(8 184)	(7 314)	(16 289)
	34 404	**11 151**	**61 156**
Profit for the period			
Alaris Antennas	14 037	9 367	29 663
COJOT	12 170	3 579	23 611
mWAVE	4 217	146	3 332
Corporate and consolidation	(7 314)	(6 670)	(15 525)
	23 110	**6 422**	**41 081**
Normalised earnings after tax for the period			
Alaris Antennas	14 039	9 367	29 663
COJOT	12 170	3 579	23 611
mWAVE	4 217	146	3 332
Corporate and consolidation	(7 290)	(5 305)	(13 934)
	23 136	**7 787**	**42 672**

SEGMENT ASSETS AND LIABILITIES

R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018 Restated [A]	Audited June 2019
Segment assets			
Alaris Antennas	91 009	72 792	97 203
COJOT	31 414	16 859	48 268
mWAVE	40 074	23 482	28 512
Corporate and consolidation	79 198	52 502	44 412
	241 695	**165 635**	**218 395**
Segment liabilities			
Alaris Antennas	(33 037)	(20 217)	(26 169)
COJOT	(10 500)	(7 468)	(18 720)
mWAVE	(8 507)	(3 402)	(5 566)
Corporate and consolidation	(2 309)	(1 053)	(2 758)
	(54 353)	**(32 140)**	**(53 213)**

A. The December 2018 results have been represented which now includes the updated IFRS 3 effect as disclosed in the June 2019 results.

B. EBITDA is trading operating profit per the Statement of Profit or Loss and excludes depreciation and amortisation.

RECONCILIATION OF PROFIT TO NORMALISED EARNINGS

R'000	Unaudited six months ended December 2019	Unaudited six months ended December 2018 Restated	Audited June 2018
Basic earnings attributable to ordinary shareholders	**23 110**	**6 422**	**41 081**
Profit for the year	**23 110**	**6 422**	**41 081**
Legal and consulting costs for acquisitions	26	1 365	1 591
Normalised earnings after tax comprising [A]	**23 136**	**7 787**	**42 672**
Alaris Antennas	14 039	9 367	29 663
COJOT	12 170	3 579	23 611
mWAVE	4 217	146	3 332
Corporate and consolidation [B]	(7 290)	(5 305)	(13 934)
Weighted average number of ordinary shares in issue	120 014 648	118 436 265	119 810 497
Normalised earnings per ordinary share (cents)	**19.28**	**6.58**	**35.62**

A. Normalised earnings, as determined by the Alaris Group, is calculated for the current year by adjusting profit for the legal and consulting fees for acquisitions.

B. Costs relating to shared services, fees associated with being a listed company, net foreign exchange gains/losses and costs of the incentive share options of group executives are included in this segment. Net funding costs are also included in the segment.

1. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The carrying values of other financial assets and liabilities, trade and other receivables, trade and other payables, loans and borrowings approximate their fair value due to it being short-term in nature. The Group measures currency futures at fair value using inputs as described in level 1 of the fair value hierarchy.

2. STATEMENT OF COMPLIANCE

Alaris Holdings Limited is a South African registered company. These condensed consolidated interim financial statements comprise of the Company and its subsidiaries.

The condensed consolidated interim financial statements for the six months ended 31 December 2019 are prepared in accordance with the International Financial Reporting Standard ("IFRS"), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards ("IFRS") and are consistent with those applied in the previous annual financial statements, except for the changes arising from the adoption of significant new accounting pronouncements which became effective in the current reporting period.

3. BASIS OF PREPARATION

The condensed consolidated interim results have been presented on the historical cost basis except for the currency futures, which are fair valued. These results are presented in Rand, rounded to the nearest thousand, which is the functional currency of Alaris and the Group presentation currency. These condensed consolidated interim results incorporate the financial statements of the Company, its subsidiaries and entities that, in substance, are controlled by the Group. Results of subsidiaries are included from the effective date of acquisition up to the effective date of disposal. All significant transactions and balances between Group entities are eliminated on consolidation.

The condensed consolidated interim financial statements were prepared under the supervision of the Group Financial Director and CFO, Elsie Müller CA(SA). These interim results have not been audited or reviewed by the Group's auditors.

4. REVENUE

	Unaudited six months ended		Audited
	December 2019	**December 2018 Represented**	**June 2019**
Fully configured products	95 772	69 457	199 497
Newly developed products	40 567	15 586	45 687
	136 339	**85 043**	**245 184**

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, except for the changes arising from the adoption of the following significant new accounting pronouncements which became effective in the current reporting period:

IFRS 16: Leases

IFRS 16 introduces a single on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and the related ease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information represented for December 2018 and June 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

Previously, the Group determined at contract inception whether an arrangement was or contains a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if a contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether a lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises a right-of-use asset and lease liabilities for most leases – the leases are on the balance sheet. The Group has elected not to recognise right-of-use assets and lease liabilities for leases with low value assets like IT and related equipment. The Group recognises the lease payments associated with these leases in the income statement.

At transition, for leases classified as operating leases under IAS 17, the right-of-use asset and lease liabilities were measured as if IFRS 16 had always been applied. The lease payments were discounted using the Group’s incremental borrowing rate of 10% in South Africa and 5.25% in the United States of America.

Renewal of leases are assessed as they become due if such lease contains a renewable option. Management’s assessment therefore includes all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to renew. Management has not considered any lease renewal options to date of this report for determining the effect of IFRS 16. The South African premises are due for renewal at the end of September 2020 and management is still in the process of evaluating the feasibility of renewing the lease versus moving to new premises. The American premises are only renewable in 2026. As at 31 December 2019 the Finnish subsidiary had a month to month lease and no right-of-use asset was raised for this subsidiary.

The Group leases a number of items of production equipment and vehicles. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on the transition is summarised below:

	1 July 2019
Right-of-use asset	6 216
Deferred tax asset	175
Lease liabilities	(7 387)
Straight-lining liability	543
Retained earnings	453

In addition to the above, the nature of the expenses relating to the leases have changed as IFRS 16 replaced the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. The change in the nature of the expenses had a positive effect of R1.4 million on the EBITDA of the Group. The impact on earnings and headline earnings per share is negligible.

The following standards and interpretations were in issue but not yet effective:

Standard/ Interpretation	Effective date: Years beginning on or after	Expected impact
IFRS 3, *Business Combinations*	1 January 2020	The impact of the standard is not expected to be material.
IFRS 7 *Financial Instruments: Disclosures*	1 January 2020	The impact of the standard will not be material as the Group does not make use of hedge accounting.
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2020	The impact of the standard will not be material.

6. RECONCILIATION FROM EARNINGS TO HEADLINE EARNINGS:

	December 2019	December 2018 Represented	June 2019
Profit for the year	23 110	6 422	41 081
Basic earnings	23 110	6 422	41 081
Losses on disposal of assets	14	-	-
Headline earnings	**23 124**	**6 422**	**41 081**
Weighted average number of ordinary shares in issue	120 014 648	118 436 265	119 810 497
Basic earnings per ordinary share (cents)	19.26	5.42	34.29
Headline earnings per ordinary share (cents)	19.27	5.42	34.29

7. SUBSEQUENT EVENTS

We are mindful of the Coronavirus and the impact that it has had, and is continuing to have, on the world economy. We have implemented various measures to ensure that the Group can continue doing business and that the impact of this virus is minimised as far as possible. The Group has subsidiaries in four jurisdictions, I.e. South Africa, UK, USA, and Finland. Furthermore, half of the production in Finland is outsourced to a contract manufacturer in Estonia. Whilst we look to standardize our operating procedures to cater for the effects of the virus, the regulatory framework in each of these countries has their own specific rules which need to be respected and adhered to. As this pandemic is still in its early stages, we have not yet been able to fully determine the economic impact this virus will have on our Group. We are however positioned to weather the impact with a strong balance sheet, diverse supply chain, and sufficient working capital in place for the short to medium term.

8. GOING CONCERN

The directors have made an assessment of the ability of the Group and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

9. DIVIDENDS

No dividend was declared for the period under review.

10. DIRECTORATE

On 20 December 2019, Mr. C. Neser was appointed as non-Executive Director to the Board and Mr. A. Mellet resigned from the board. No further changes to the board took place during the period under review, up to and including the date of this report.

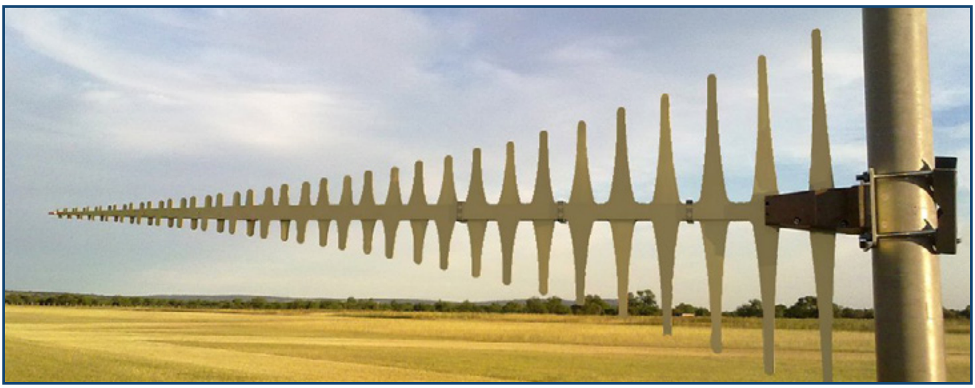
By order of the board

Jürgen Dresel
Group Chief Executive Officer

Elsie Müller
Group Financial Director and CFO

24 March 2020

Johannesburg



CORPORATE INFORMATION

ALARIS HOLDINGS LIMITED
(incorporated in the Republic of South Africa)

www.alarisholdings.co.za

Directors

Coen Bester*^ (Chairman),
Jürgen Dresel # (CEO),
Richard Willis*^,
Peter Anania*^°,
Chris Neser^,
Carel van der Merwe*^,
Gisela Heyman,
Elsie Müller (Financial Director and CFO)

*Independent
^Non-executive
#German
°American

Business address and registered office

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Old Johannesburg Road,
Centurion, 0157

(Private Bag X4, The Reeds, Pretoria, 0061)

Designated Adviser

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Registration Number 2006/015817/07

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Sandton, 2196

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Company Secretary

Fusion Corporate Secretarial Services

Auditors

KPMG Inc.

Bankers

Standard Bank
Nordea Bank Abp
Androscoggin Bank

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
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PRINCIPAL SUBSIDIARIES

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Jürgen Dresel#

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Alaris Antennas Proprietary Limited

Registration Number 2013/048197/07

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COJOT Oy

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Other directors: Jürgen Dresel #, Herbert Bauer#

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mWAVE Industries LCC

- **mWAVE**

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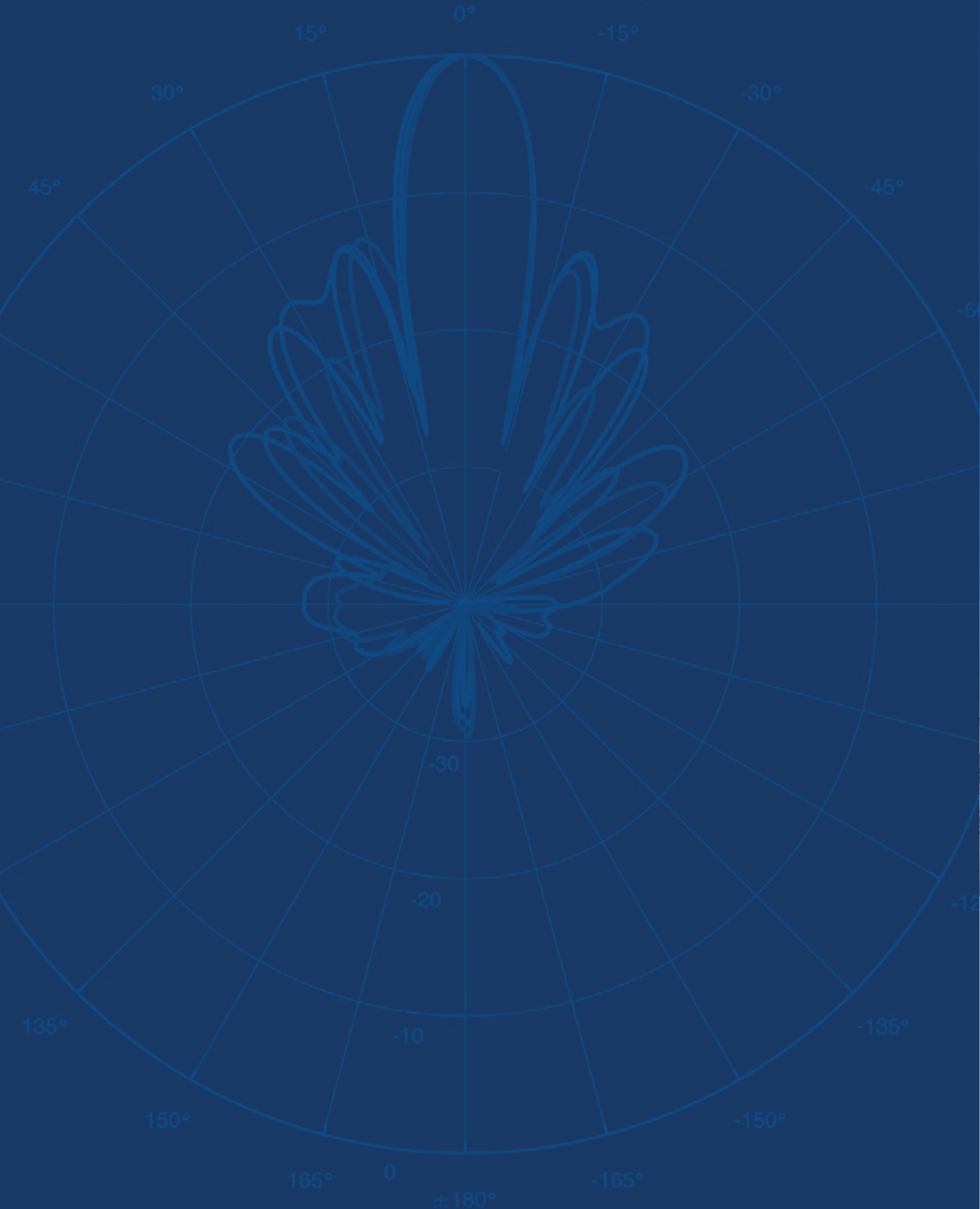
@ British　　# German　　^ South African
* American　　° Finnish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