SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE

2021

ALARIS
HOLDINGS

Summary

Revenue increased by

35% ↑

from R242.8 million
to R328.3 million

Profit after tax increased by

50% ↑

from R31.0 million to
R46.4 million

Headline earning per share increased by

50% ↑

from 25.89 cents to
38.78 cents

Strong cash position of

R93.2 million

as at 30 June 2021

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**")

What we are all about

Alaris Holdings, founded in 1997, is a global radio frequency ("RF") technology holding and investment company. Focused on developing its own products and retaining its own IP, the entity provides technologically advanced solutions and products to customers across multiple markets from defence, aviation, marine and wireless, to industrial, healthcare, research communities and government institutes. Listed on the JSE AltX since July 2008, the Group's strategic objective of being a trusted technical advisor and partner in the RF technology domain is evident in the customer centric approach adopted by all its subsidiaries.

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 antenna systems 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, the company 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 was established in 2004 and designs and manufactures standard and custom microwave antenna products for commercial and government applications.

Alaris USA, trading as a division of mWAVE Industries and based in Windham, Maine, sells and supports specialised antennas and other RF-related products designed by COJOT and Alaris Antennas to customers 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 and emerging markets. Like COJOT and Alaris Antennas, Alaris USA clients are system integrators, frequency spectrum regulators, government end users and law enforcement entities.

Linwave, founded in 2003 and based in Lincoln, UK, is a leading supplier of novel, custom RF and microwave products across multiple markets from defence, avionics, marine and wireless, to industrial and healthcare. The company designs and manufactures customised microwave/RF components for harsh environment applications at frequencies up to 100GHz. Solutions can range from die level semi-conductor components assembled in the company's own clean room facility, to complex sub-systems with multiple functions incorporating software and embedded control. Linwave prides itself on its ability to work closely with its customers to develop the optimum solution for their particular application, ultimately providing them with a technical advantage in the marketplace.

Business overview

The **Alaris Holdings Group** had an outstanding financial year despite ongoing worldwide challenges created from the COVID-19 pandemic. The results of the combined operations provided a substantial increase in revenue and profit after tax such that the Group recorded its best year in history.

Revenue increased by 35% from R242.8 million to R328.3 million and profit after tax ("PAT") increased by 50% from R31.0 million to R46.4 million. Headline earnings per share also increased by 50% from 25.89 cents to 38.78 cents.

The Group's cash position at 30 June 2021 was R93.2 million, with about 45% of the funds located in South Africa. Surplus cash will continue to support the Group's intention to expand its global footprint through suitable acquisitions.

The Group's strategy of expanding territories and markets has allowed for an enhanced product and service offering based on extended knowledge across its subsidiaries. The Group's customers have benefited from access to highly skilled engineers across the globe, with its four companies uniquely positioned to serve as trusted advisors in providing customers with technologically advanced and highly customised solutions.

On 26 February 2021, the acquisition of Linwave Technologies was concluded with the signing of a share purchase agreement to acquire 100% of the issued share capital. The management team is highly satisfied with the way in which the acquisition was concluded and the timeous integration of the company during the past months.

The Linwave product offering and team's extensive capabilities in the RF/microwave electronics space perfectly complements the Group given its natural shift towards added complexity and the integration of electronics.

Sustainable organic growth will remain a strategic priority for the Group, with operational activities continuously being aligned as the Group expands. The projected benefits based on synergies amongst the product offerings of the entities in the Group have proved to be successful and have led to enhanced growth in diverse markets. Joint development projects across the subsidiaries have also increased during this period, adding value to the Group's customers.

During the past year substantial time and effort has been spent on product roadmaps and innovation. In order to stay relevant, align to trends and move up the value chain, it was imperative to obtain RF electronics capabilities within the Group. This has allowed the development of more complex products within the existing subsidiaries, the diversification of product types, and the entering of new markets. Collaboration amongst subsidiaries has already resulted in the integration of Linwave electronics in one of the Alaris Antennas products.

It is evident from the period reported on that cross-selling opportunities have been managed effectively, increasing the value of the respective subsidiaries and resulting in a stronger combined force. The processes which were put in place to further capitalise on synergies between subsidiaries are functioning well.

Although the year ended on a significant high note, a number of lows were also experienced during the past financial year. For more than 18 months, unprecedented circumstances created by the COVID-19 pandemic continued and severely affected the way in which the entities in the Group had to do business. These months of adverse circumstances not only took their toll on the well-being of staff, but also created component shortages, supply chain challenges and inflation in the price of raw materials.

However, with the ability to put robust plans in place to mitigate operational risks, a committed workforce and a strong order book, all entities were able to rise to the occasion. The executive team is exceptionally proud of the way in which all companies in the Group weathered adversity and unprecedented market challenges with dedication, resilience and fortitude.

Alaris Antennas

Financial year 2021 has been a momentous year in various ways for **Alaris Antennas.** The company achieved record financial results amidst a full year of the COVID-19 pandemic and increasingly challenging market conditions in South Africa. During the first half of the year, Alaris Antennas reported strong results with growth in all areas of the business and a positive outlook.

Total revenue increased by 33% from R126 million to R167.2 million and PAT increased by 56% from R23.1 million to R36.2 million. The revenue includes sales to fellow subsidiaries that are eliminated on consolidation.

These results were achieved by building on the foundation of a strong order book and balance sheet in the first half, with higher volume orders enabling healthy margins. Repeat orders for newly developed products were secured and successfully executed. The year brought its fair share of challenges, but our targets were achieved given our performance-driven team and robust risk mitigation plans.

Collaboration between subsidiaries is yielding more solutions and a wider variety of cutting-edge technology products. It has also supported the extension of the Alaris footprint into new markets and territories, contributing to the organic growth of the company. The revenue is spread across a wider range of customers and is also an indication that our customers' businesses are growing.

Although travel remained restricted during this past year, the team continued interacting with clients early in the project cycle through regular engagements and workshops. The ability to provide competent technical advice by a highly skilled engineering team and understanding our clients' requirement has enabled the company to maintain its trusted advisor status in the field of antenna systems.

COVID-19 had a bigger impact on the business during the past six months, with a number of staff members falling ill. The Company is grateful that these employees have recovered well. There were minor supply chain challenges, but these were mitigated through effective management and continuous risk assessment. The impact on customers was minimal.

Alaris has unlocked new opportunities and expanded its international reach by establishing further sales representatives in key territories. This supports the company's strategy of being closer in proximity to its customers.

The Alaris Antennas team is grateful for a tremendous year.

COJOT

COJOT experienced a healthy financial year with revenue increasing by 12% from R76.1 million to R84.9 million, and an 8% increase in PAT from R16.0 million to R17.3 million. COVID-19 impacted customer decision-making with a few projects being delayed. The worldwide shortage of components and inflation in the price of raw materials had a further effect on COJOT's results.

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

Several switched beam antenna ("SBA") sales projects were successfully finalised during the year and the outlook for growth in this field remains encouraging. The Group's engineers are well-positioned to drive this trend. The use of SBA enhances the usability, performance and spectrum management of complex communication networks. SBA antennas can be used in Counter-UAV (unmanned aerial vehicle) for RF detection, locating, tracking and possibly disabling UAV systems with jamming.

Since its acquisition in 2016, COJOT has established itself as a valuable asset within the Group. The MIDAS range and smart antenna product line are set to provide a unique competitive edge to its customers and contribute to the organic growth of the Group.

mWAVE Industries LLC

- **mWAVE**

mWAVE achieved strong results with an increase in revenue of 62% from R68.9 million to R111.9 million and an increase in PAT of 144% from R2.9 million to R7.0 million versus the comparative period. The financial performance of Alaris USA was integrated into mWAVE Industries' results, as reporting is done on a single entity basis. Forgiveness of the PPP (Paycheck Protection Program) loan assisted in mWAVE's profits. The PPP was established as part of the *Coronavirus Aid, Relief and Economic Security Act*, providing loans to qualifying businesses in the USA.

mWAVE is very well positioned for organic growth since a major part of the global electronic warfare market is in the USA. Its product lines complement those of the Group's other subsidiaries, providing a further positive outlook for future growth. mWAVE's manufacturing facility is already being utilised to provide service and manufacturing of some subsidiary products to satisfy US requirements for local manufacture. There is an opportunity to further grow this function.

Profits can be increased by improving margins, increasing volume and focusing on customised product sales. The sales team has managed to unlock several such opportunities with current and new customers.

We continue aligning the company with the Group's strategic objectives and we are implementing Salesforce.com for customer relationship management, with a focus on lead generation and management. mWAVE is also expanding its direct sales force and adding more independent sales representatives for better market coverage and penetration. The company will further concentrate on getting out in front of clients via tradeshows and direct visits as pandemic conditions and clients allow. Like other subsidiaries in the Group, mWAVE will continue to be a trusted partner in antenna technology by taking the time to understand clients' needs and provide innovative and high-value solutions.

- **Alaris USA**

The growth of the **Alaris USA** division of mWAVE, will play a key role in increasing the exposure of Alaris Antennas, COJOT and now Linwave products into the North American region. It will also enable building relationships with new and existing customers. Alaris USA efforts will foster cooperative cross-selling and a growing product offering to customers.

Its competitive advantage lies in its ability to offer a broad range of specialised products through its partnerships and capacity, with the support of the technical teams in Finland, South Africa and now in the UK. Its status as a US based entity allows the company closer interactions and relationships with its customer base in North America, giving invaluable access to the largest defence market in the world.

Products are designed and manufactured by three other subsidiaries of the Group, namely Alaris Antennas in South Africa, COJOT in Finland and Linwave in the UK. Its close relationship with the technical teams in all three locations has enabled several new opportunities. The company is also entering into new market segments. Further opportunities for growth exist by adding sales representative agents and new system houses as clients. It is also expanding business with large contractors and to end customers.

We expect to develop opportunities where US customers require products to be made in the USA. Alaris USA may develop its own design and manufacturing capacity to service this need in addition to the existing capabilities of mWAVE and bolstering these as required.

Linwave

Linwave's business landscape experienced significant change when it became part of Alaris Holdings Ltd at the end of February. A key achievement was the successful completion of a due diligence and integration with the Alaris Group within a four-month period during the peak of the COVID-19 pandemic. Linwave contributed to the Group's financial performance for four months (from 1 March to 30 June), achieving a revenue of R36.6 million and a PAT of R5.9 million.

The company was well underway with a government funded improvement programme led by the national Aerospace, Defence and Space industry body (ADS), when the sale of the business to Alaris Holdings went through. Since this point, it has become apparent that there are a significant number of synergies between Linwave's work in this area, and the work currently being undertaken in the wider Alaris Group. The ADS programme combined the outputs from an independent audit against nationally recognised world-class performance metrics, key customer feedback and the leadership team's views, recommending a series of development charters around key aspects of the business. These charters were focussed on improving business competitiveness and growth potential, and were supported by approved training, coaching and mentorship.

Linwave has applied for additional funded support from the above-mentioned programme to assist with operational improvements identified by the Group, including the transition of ERP systems, and a project around Activity Based Costing. If the application goes through as planned, the company will be able to fund some of the work outlined in these areas without impacting the bottom line of the business. Linwave is one of only sixty UK companies selected for funding under this program over a three-year period.

Various significant achievements were attained by the Linwave personnel during and following the sale of the business to Alaris. Some of the highlights include:

- Headline sales growth of over 30%;
- Successful completion of an inaugural internal group development project by delivering a Switch Amplifier Module for the DF-antenna line of Alaris Antennas;
- Winning a first US-based contract, supporting an "in-flight entertainment" delivery via satellite;
- Delivering a prototype transceiver for 5G-data delivery for commercial and secure communications markets; and
- Absorbing impacts and training for the additional processes needed to export to Europe after Brexit.

Following the purchase of Linwave by Alaris Holdings, the workforce has remained motivated and committed, achieving record levels of revenue and profitability. The Linwave management team is proud of the way personnel responded to challenges during the time of high infection rates in the UK and during the acquisition, achieving maximum operational efficiency through dedication and high attendance.

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 losses of R1.1 million (June 2020: R1.3 million gains).
- Employee costs, cost of the share incentive option scheme for Group executives and board fees totaling R11 million (June 2020: R10 million). R4.2 million related to share-based payment expense that could be reversed in the future should the set profit targets not be made.
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees, group audit fees and legal fees for the Linwave acquisition totaling R6 million (June 2020: R2 million). R3.8 million related to legal and other fees for the Linwave acquisition.
- The intercompany cross-selling of the Group increased from R28.3 million to R72.3 million.

Prospects

The four key strategies identified by the Group remain a solid foundation for expansion in the future. With these core drivers, the Group is therefore well positioned for growth.

- Extensive expertise in RF products
- Owning and continuously developing intellectual property
- Design of antenna and RF system solutions
- A global footprint of its subsidiaries to support the global application of its products

Alaris Antennas

The Engineering and Product Management teams of **Alaris Antennas**, in conjunction with the Group Chief Technical Officer ("CTO"), have developed a clearly defined and well thought-through roadmap which will assist the company on its path to move up in the value chain, resulting in more complex systems associated with higher margins. Extensive research was done on market trends, and requirements seen from customers, to enable future growth as a direction finding ("DF") antenna systems specialist.

Prospects continued

The board has committed additional funds for the development of new products according to this roadmap. Alaris Antennas is moving into the field of higher frequency antenna systems. The innovative designs of the company's Research and Development team are matching this requirement.

Alaris Antennas will continue working towards an agile and collaborative culture with the other subsidiaries in the Group. New markets are opening up through the extended global presence. Sales representatives operating in key territories drive more opportunities for the newly developed products, thereby contributing to organic growth in the period ahead.

The company will continue streamlining operations and bolstering resources to support the planned organisational growth. Alaris Antennas is further improving on supply chain and additional manufacturing alternatives to maintain stable execution and delivery to customers.

Whilst a major focus of the team will be on growth, the team remains committed to its customer centric approach, responding quickly to customer needs and ensuring product quality. Opportunities identified for newly developed products will be pursued with the goal of having these products designed-in as a solution.

The ability to develop and own its own IP is one of the company's key strengths. Through its highly skilled and specialised team of engineers, Alaris Antennas is uniquely positioned to serve as a partner to its customers, enabling the entity to fulfil its role as a trusted advisor.

The management team is confidently looking forward to the period ahead.

COJOT

COJOT makes use of a direct sales team and selected channel partners to build its order book and is investigating further representation in the Asian markets.

The outlook for growth in the field of Switched Beam Antenna ("SBA") sales and COJOT's R&D focus in the area continue to be encouraging with several good sales opportunities in the pipeline.

The use of SBA enhances the usability, performance and spectrum management of complex communication networks. It combines the advantages of higher gain directional antennas with mobility and directional selectivity. Since the technology also supports effective drone detection, tracking and countermeasure systems, the demand for smart antennas continues to increase. These systems can for example be used to alert airports of unauthorised drones. Given the increased use of drones world-wide, we expect the demand for these types of products to continue increasing. With a strong and highly skilled engineering team, COJOT is geared to address such solution requests from its customers.

COJOT sales in the North American market have progressed well through the establishment of Alaris USA. Opportunities exist for substantial growth in sales in this market. Increasing the company's footprint through co-operation with Alaris Antennas and Linwave throughout Europe and Asia also remains a key focus area for COJOT to accelerate growth.

Prospects continued

mWAVE Industries LLC

– mWAVE

mWAVE is well positioned for organic growth, since the biggest defence spend and largest portion of the global electronic warfare market is in the USA. Its product lines complement those of the Group's other subsidiaries, providing a further positive outlook for growth. The company is expanding its direct and independent representative network and growing the geographical sales footprint through cross-selling opportunities with other Group subsidiaries. Growth is expected as a result of these initiatives.

mWAVE continues aligning its processes with the Group, improving margins and supporting additional product sales to increase profits.

mWAVE is also leveraging its proven technical, design and manufacturing capabilities to partner on projects that, if successful, can generate repeat or programmatic business. This business model has a longer sales-cycle but is part of the ongoing strategy to generate predictable growth.

– Alaris USA

Alaris USA is becoming an ever-stronger asset to the Group, strategically positioned to foster closer interaction and relationships with its customer base in the United States and Canada. This entity, which is based at the mWAVE offices in Maine, will continue to promote cooperative cross-selling, enabling an expanded product offering to customers.

Close relationships with the technical and research teams at all the subsidiaries are maintained, allowing for new opportunities and the design and development of solution-driven products based on customer needs.

Sales representation in the USA will be expanded to address demand from new market segments. Furthermore, an additional salesperson has been appointed at the Alaris USA office to support the growth in opportunities. Looking forward, Alaris USA will potentially have its own manufacturing capability to ensure the continued support of US customers. This will build on the platform that mWAVE has in place.

Linwave Technology

Linwave Technology is well placed for growth within its existing customer base and starts the new financial year with the solid foundation of a strong open order book.

With cross-subsidiary engagements, the team will be leveraging support from the other Group entities in export markets to widen customer engagement over the next 2-3 years in the Defence and Security markets. Key areas for potential international sales growth will be Europe and the United States. In joint efforts with the sales personnel of the other companies in these territorial areas, work will be done to open up new business opportunities. As international travel begins to open up following the COVID-19 pandemic, Linwave staff will be able to visit the overseas sales teams on focussed joint customer visits and to undertake product and capability training face-to-face.

Linwave plans to further widen its market reach by tracking the extensions of satellite-driven communications for Low Earth Orbit constellations and the business opportunities these may provide. This will build on the company's defence and aerospace heritage, and the ability to develop custom products for use in extreme environments. In addition, technology roadmaps will be refined in order to generate further product development strategies for leading edge module solutions. This activity is being undertaken both at a company and Group level in an effort to maximise the benefits across all the subsidiaries.

During this new financial year, the management team will implement the charters which were identified during the ADS improvement programme to improve business competitiveness and to ensure organic growth.

Now that Linwave is part of the wider Alaris Holdings Group, opportunities exist to build upon and extend both the development and manufacturing capabilities of the business. In future, this could be supported by further business expansions to potentially support lower cost manufacturing capabilities and to provide an extended engineering resource pool to deal with the increased levels of business seen in the sector.

During the coming months, other potential cross-group benefits will be exploited from an operational point of view. These include procurement strategies, software licensing, standardised design guidelines and manufacturing experiences. A number of these will require a holistic view rather than a site or subsidiary-based approach. Through recent engagements it is clear that there are benefits to be had across the business, which will ensure that the value of the Alaris Group is greater than the sum of the parts.

The team is aligning their company activities with those of the wider Group and is looking forward to building on the new opportunities this provides in terms of both growth and profitability.

The Group

The Group intends to grow the more complex nature of its products by progressively integrating the recently acquired competency in RF/microwave electronics components into its designs, thereby providing state of the art technology and a competitive edge to its customers. The sophistication, range and competitiveness of the Group's antenna systems offerings is continuously expanding.

In the period ahead, the subsidiaries will continue to further develop their core capabilities in antennas and antenna systems, whilst adding significant value to their product offering based on collaboration and joint projects across the Group. The synergies amongst the subsidiaries in the Group, will be enhanced to drive combined competitive growth, as the combined force of the four entities can achieve more than the standalone enterprises.

Organic growth is a key objective for all subsidiaries, each one receiving a specific target for year-on-year profit growth. Emphasis is placed on innovation, but with a focus on building subsidiaries' specific core competencies and tactically opening new application areas and segments.

Prospects continued

Several risk-mitigating measures and new mechanisms to enable sales and business development were put in place over the past few months. While these forms of engagement proved successful in the past year, it does not match personal contact with a customer. Alaris Holdings is a customer-intimate organisation and it is expected that the restrictions still in place worldwide, will continue to hinder the way business is done until they are lifted. Hope for change remains, as there is a worldwide movement towards establishing new rules for engagements, which should lead to in-person meeting of customers, physical attendance at trade shows and the opening up of unrestricted business travel.

Every effort will remain in place to ensure that the Group's customers have unaffected access to their trusted advisors, to bespoke solutions and to a diverse product offering. The design and development of new products based on the uniquely combined skill sets of the four companies will continue to provide competitive features and enable increased performance for end users. All entities in the Group relentlessly strive to provide their customers with a technological edge through constant product innovation and excellent service.

Management is enthusiastic about the future, as the Group will be boosted through the increase in the advanced technological designs and complexity of the products, significant presence in expanded territories, the diversification of product offerings and additional market segments. This combination should result in an ongoing strong financial performance.

The teams in the various entities will progressively engage in business opportunities which will strengthen the Group's foothold in strategic territories and markets. All companies will continue to focus on innovation and research, providing capabilities to further enhance their product offerings in new market segments and applications.

In principle, the Group's strategy of international expansion remains. By increasing its presence in strategic markets and diversifying into different territories, the management team remains focused on ensuring ongoing profitable organic and acquisitive growth for the Alaris Holdings Group and all its stakeholders.

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2021

R'000	Audited June 2021	Audited June 2020
Revenue[A]	328 305	242 753
Cost of sales	(110 106)	(79 876)
Gross profit	**218 199**	**162 877**
Other income	6 921	1 689
Operating expenses	(167 622)	(125 031)
Trading operating profit[B]	**57 498**	**39 535**
Finance income	1 133	1 802
Finance costs	(760)	(558)
Profit before taxation	**57 871**	**40 779**
Taxation	(11 461)	(9 794)
Profit for the period	**46 410**	**30 985**
Other comprehensive income net of tax		
Items that may be reclassified subsequently to profit or loss:	**(18 854)**	**20 020**
– Gross foreign currency translation reserve	(22 369)	23 738
– Taxation	3 515	(3 718)
Total comprehensive income	**27 556**	**51 005**
Weighted average number of ordinary shares in issue[C]	119 829 488	119 734 262
Weighted average number of diluted ordinary shares in issue[C]	121 319 257	122 618 380
Basic earnings per ordinary share (cents)	38.73	25.88
Diluted earnings per ordinary share (cents)	38.25	25.27
Headline earnings per ordinary share (cents)	38.78	25.89
Diluted headline earnings per ordinary share (cents)	38.31	25.28

A. *Refer to supplementary note 6.*

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

C. *Weighted average number of shares net of treasury shares.*

Summarised consolidated statement of financial position

as at 30 June 2021

R'000	Audited June 2021	Audited June 2020
Assets		
Non-Current Assets		
Plant and equipment	12 047	9 376
Right-of-use-assets	22 098	13 250
Goodwill	61 986	50 289
Intangible assets	25 787	14 559
Deferred tax assets	19 316	12 850
	141 234	**100 324**
Current Assets		
Inventories	40 681	30 681
Current tax receivable	2 004	1 426
Trade and other receivables	74 693	40 689
Cash and cash equivalents	93 177	110 268
	210 555	**183 064**
Total Assets	**351 789**	**283 388**
Equity and Liabilities		
Equity		
Equity attributable to owners of the Company		
Share capital	6	6
Share premium	209 286	205 250
Share-based payment reserve	26 073	17 350
Foreign currency translation reserve ("FCTR")	(955)	17 899
Accumulated profit/(loss)	27 015	(19 395)
Total Equity	**261 425**	**221 110**
Liabilities		
Non-Current Liabilities		
Loans and borrowings	1 117	3 456
Lease liabilities	17 313	10 066
Deferred tax liabilities	3 575	5 342
	22 005	**18 864**
Current Liabilities		
Loans and borrowings	802	2 732
Trade and other payables	61 902	35 531
Current tax payable	46	1 421
Lease liabilities	5 609	3 730
	68 359	**43 414**
Total Liabilities	**90 364**	**62 278**
Total Equity and Liabilities	**351 789**	**283 388**

Summarised consolidated statement of changes in equity

R'000	Share capital	Share premium	Share-based payment reserve	FCTR	Accumu-lated profit/ (loss)	Total equity
Year ended						
Balance at 1 July 2019	**6**	**207 283**	**9 941**	**(2 121)**	**(49 927)**	**165 182**
Change in accounting policy from IAS 17 to IFRS 16	–	–	–	–	(453)	(453)
New balance as of 1 July 2019	**6**	**207 283**	**9 941**	**(2 121)**	**(50 380)**	**164 729**
Total comprehensive income for the year:	–	–	–	20 020	30 985	51 005
– Profit for the year	–	–	–	–	30 985	30 985
– Foreign currency translation reserve	–	–	–	20 020	–	20 020
Share-based payment charge for existing options	–	–	7 498	–	–	7 498
Share options exercised on net basis	–	(169)	(89)	–	–	(258)
Movement in treasury shares	*	(1 864)	–	–	–	(1 864)
Balance at 30 June 2020	**6**	**205 250**	**17 350**	**17 899**	**(19 395)**	**221 110**
Year ended						
Balance at 1 July 2020	**6**	**205 250**	**17 350**	**17 899**	**(19 395)**	**221 110**
Total comprehensive income for the period:	**–**	**–**	**–**	**(18 854)**	**46 410**	**27 556**
– Profit for the period	–	–	–	–	46 410	46 410
– Foreign currency translation reserve	–	–	–	(18 854)	–	(18 854)
Share-based payment charge for existing options	–	–	9 229	–	–	9 229
Linwave acquisition settled in shares	*	3 080	–	–	–	3 080
Share options exercised on net basis	–	–	(506)	–	–	(506)
Movement in treasury shares	*	956	–	–	–	956
Balance at 30 June 2021	**6**	**209 286**	**26 073**	**(955)**	**27 015**	**261 425**

* *Nominal amount – amount smaller than R1 000.*

Summarised consolidated statement of cash flows

for the year ended 30 June 2021

R'000	Audited June 2021	Audited June 2020
Profit before taxation	57 871	40 779
Adjusted for non-cash items	9 545	28 663
Working capital changes	1 850	20 558
Cash generated from operations	**69 266**	**90 000**
Net finance income	964	1 602
Taxation paid	(18 475)	(16 637)
Net cash from operating activities	**51 755**	**74 965**
Cash flows from investing activities		
Additions to plant and equipment	(4 457)	(4 423)
Additions to intangible assets	(1 101)	(1 770)
Acquisition of subsidiary[A]	(56 611)	–
Net cash used in investing activities	**(62 169)**	**(6 193)**
Cash flows from financing activities		
(Decrease)/increase in loans and borrowings	(495)	4 334
Payment of lease liabilities	(6 932)	(2 657)
Disposal/(acquisition) of treasury shares – Share Incentive Scheme	451	(2 122)
Net cash used in financing activities	**(6 976)**	**(445)**
Net (decrease)/increase in cash and cash equivalents for the year	(17 390)	68 327
Cash and cash equivalents at the beginning of the year	110 268	41 836
Effect of exchange rate movement on cash balances	299	105
Total cash and cash equivalents at end of the year	**93 177**	**110 268**

A. *Refer to supplementary note 5.*

Segmental analysis

R'000	Audited June 2021	Audited June 2020[A]
Segmental revenue		
Alaris Antennas	167 201	125 997
COJOT	84 876	76 079
mWAVE	111 871	68 944
Linwave[B]	36 611	–
Inter-segmental	(72 254)	(28 267)
	328 305	**242 753**
Earnings before interest, tax, depreciation and amortisation (EBITDA)[C]		
Alaris Antennas	52 844	35 471
COJOT	23 318	21 276
mWAVE	9 380	5 565
Linwave[B]	6 864	–
Corporate and consolidation	(21 427)	(11 761)
	70 979	**50 551**
Profit for the period		
Alaris Antennas	36 200	23 142
COJOT	17 252	16 011
mWAVE	6 984	2 864
Linwave[B]	5 943	–
Corporate and consolidation	(19 969)	(11 032)
	46 410	**30 985**
Normalised earnings after tax for the period[D]		
Alaris Antennas	37 047	23 145
COJOT	17 252	16 011
mWAVE	6 984	2 864
Linwave[B]	5 943	–
Corporate and consolidation	(16 107)	(10 995)
	51 119	**31 025**

A. *The prior year has been represented to show a better reflection of how each subsidiary is doing.*

B. *Refer to note 5.*

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

D. *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.*

Segment assets and liabilities

R'000	Audited June 2021	Audited June 2020
Segment assets		
Alaris Antennas	109 030	102 215
COJOT	45 995	42 301
mWAVE	56 399	46 955
Linwave[A]	66 911	–
Corporate and consolidation	73 454	91 917
	351 789	**283 388**
Segment liabilities		
Alaris Antennas	(41 581)	(31 061)
COJOT	(17 493)	(11 932)
mWAVE	(3 450)	(13 760)
Linwave[A]	(24 013)	–
Corporate and consolidation	(3 827)	(5 525)
	(90 364)	**(62 278)**

Reconciliation of basic earnings to normalised earnings

R'000	June 2021	June 2020
Basic earnings attributable to ordinary shareholders	**46 410**	**30 985**
Profit for the year	**46 410**	**30 985**
Legal and consulting costs for acquisitions	4 709	40
Normalised earnings after tax comprising[B]	**51 119**	**31 025**
Alaris Antennas	37 047	23 145
COJOT	17 252	16 011
mWAVE	6 984	2 864
Linwave[A]	5 943	–
Corporate and consolidation[C]	(16 107)	(10 995)
Weighted average number of ordinary shares in issue	119 829 488	119 734 262
Normalised earnings per ordinary share (cents)	**42.66**	**25.91**

A. *Refer to note 5.*

B. *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.*

C. *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.*

Supplementary notes to the summarised consolidated financial statements

for the year ended 30 June 2021

1. Financial instruments carried at fair value

The carrying values of other financial assets and liabilities, trade and other receivables, trade and other payables 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. The carrying value of loans and borrowings approximate their fair value as the instruments carry a variable rate and management has assessed at 30 June 2021, that the loans given originally are still market related should a similar transaction be entered into at 30 June 2021.

2. Statement of compliance

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

The directors take full responsibility for the preparation of the report and the summarised consolidated financial information has been extracted from the underlying consolidated financial statements. This summarised report is a summary from audited information but is in itself not audited. The Board approved the Group annual financial statements on 16 September 2021.

3. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the Listings Requirements of the JSE Limited ("JSE Listings Requirements") for summarised reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summarised financial statements. The JSE Listings Requirements require summarised reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS); the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting.

The accounting policies applied in the preparation of the audited consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements.

The summarised consolidated financial statements have been presented on the historical cost basis except for the currency futures, which are measured at fair value. These results are presented in Rand, rounded to the nearest thousand, which is the functional currency of Alaris and the Group presentation currency. These results incorporate the financial statements of the Company, its subsidiaries and entities that 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 summarised consolidated financial statements were prepared under the supervision of the Group Financial Director and CFO, Elsie Müller CA(SA).

Supplementary notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

4. Report of the independent auditors

The summarised consolidated financial statements are extracted from the audited consolidated financial statements but are themselves not audited. The financial statements were audited by KPMG Inc., which expressed an unmodified opinion thereon.

The audited financial statements and the auditor's report thereon are available for inspection at the Company's registered office. The Company's directors take full responsibility for the preparation of the summarised report and for the financial information having been extracted correctly from the underlying financial statements.

The summarised consolidated financial statements do not include all of the disclosures required for full financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2021.

5. Business combination

As announced on SENS, the Group concluded an agreement to acquire 100% of the issued share capital of Linwave Technology Limited ("the Acquisition"). All conditions precedent to the Acquisition as per the agreement were fulfilled and the results of Linwave were included in the Group results from 1 March 2021.

Identifiable net asset and liabilities acquired consist of:

R'000	Acquisition date fair value
Plant and equipment	2 522
Intangible assets	17 559
Right-of-use-asset	13 328
Inventories	17 168
Trade and other receivables	17 824
Cash and cash equivalents	11 990
Right of use liability – IFRS 16	(13 328)
Deferred tax	1 366
Trade and other payables	(15 508)
Total Net identifiable assets	**52 921**
Goodwill	18 760
Total Consideration transferred	**71 681**
Less: consideration in shares (1.8 million shares)	(3 080)
Less: cash acquired	(11 990)
Net cash outflow	**56 611**

Supplementary notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

Impact of Linwave acquisition on revenue and profit for the year (excluding the amortisation of customer relationships):	**Revenue**	**Profit after tax**
Reported per statement of profit and loss and other comprehensive income	328 305	46 410
Less: Linwave performance subsequent to acquisition	(36 611)	(5 943)
	291 694	40 467
Estimated impact of business combination (if acquired 1 July 2020)	104 143	16 887
Estimated impact of the business combination for the year (1 July 2020 to 30 June 2021)	**395 837**	**57 354**

The fair value of the 1 823 145 shares issued as part of the consideration paid for the Linwave sellers was based on the 90-day VWAP before closing.

6. Revenue

R'000	**Audited June 2021**	**Audited June 2020**
Fully configured products	277 889	205 710
Newly developed products	50 416	37 043
	328 305	**242 753**

Supplementary notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

7. Changes in accounting policies and disclosures

The accounting policies applied in the preparation of the summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

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

Standard/Interpretation	Effective date/periods beginning on or after	Expected impact
IAS 37 amendment – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2021	The impact of the standard is not expected to have a material impact on the financial statements
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments – Annual Improvements to IFRS Standards (2018 – 2020)	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IAS 16 amendment – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IFRS 3 amendment – Reference to the Conceptual Framework	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 amendment – Classification of liabilities as current or non-current	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements
IAS 8 amendment – Definition of Accounting Estimates	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 and IFRS Practice Statement 2 amendment – Disclosure Initiative: Accounting Policies	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements
IAS 12 amendment – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	The standard is only expected to have an impact on the disclosure of deferred tax relating to right of use assets and lease liabilities where the deferred tax asset/(liability) will be shown separately

Supplementary notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

8. Reconciliation from earnings to headline earnings:

R'000	Audited June 2021	Audited June 2020
Profit for the year	46 410	30 985
Basic earnings	46 410	30 985
Losses on disposal of assets and impairments	62	14
Headline earnings	**46 472**	**30 999**
Weighted average number of ordinary shares in issue	119 829 488	119 734 262
Shares in issue net of treasury shares	121 830 957	119 346 231
Basic earnings per ordinary share (cents)	38.73	25.88
Headline earnings per ordinary share (cents)	38.78	25.89

9. Subsequent events

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Going concern

The Group has generated a profit for the year ended June 2021 of R46 million and as at 30 June 2021, the Group has cash and cash equivalents of R93 million. The current assets exceeded current liabilities by R142 million.

The directors have assessed 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.

11. Dividends

The Group evaluates the payment of a dividend on a regular basis with the intention of becoming a regular dividend payer. However, this has to be assessed carefully against our growth and acquisition strategy.

The growth strategy approved by the Board includes acquisitions and/or mergers. A number of targets have and are being explored but closing takes time. The Board believes that it would be more appropriate for the Group to retain cash to ensure that the Group is best placed to implement its acquisitive growth strategy. Therefore, the Board has resolved not to declare a dividend for the financial year ended 30 June 2021 (2020: R0).

Supplementary notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

12. Directorate

There were no changes to the board during the period under review, up to and including the date of this report.

Jürgen Dresel
Group Chief Executive Officer

Elsie Müller
Group Financial Director and CFO

21 September 2021
Johannesburg

Corporate information

ALARIS HOLDINGS LIMITED

(incorporated in the Republic of South Africa)

www.alarisholdings.co.za

Directors

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

*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
PSG Capital
Registration Number 2006/015817/07
Second Floor, 11 Alice Lane,
Sandton, 2196 (PO Box 650957, Benmore, 2010)

Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Registration Number 2004/003647/07
Rosebank Towers, 15 Biermann Avenue,
Rosebank, Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

Auditors

KPMG Inc.

Bankers

Standard Bank
Nordea Bank Abp
Androscoggin Bank
Bank of America
Natwest Bank

PRINCIPAL SUBSIDIARIES AND DIVISIONS

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Alaris Antennas Proprietary Limited

Registration Number 2013/048197/07
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Other directors: Jürgen Dresel#, Ruenelle Kowlesar^, Carel van der Merwe^
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COJOT Oy

Registration Number 0620465-3
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Other directors: Jürgen Dresel#,
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mWAVE

Managing Director: Jim Detert*
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Vice-president of Alaris USA LLC:
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Other directors: Vice Admiral Robert George Cooling@, Jürgen Dresel#, Chris Carr@
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