ALARIS
THE RF TECHNOLOGY GROUP

INSPIRING THE NEXT SOLUTION

INTEGRATED ANNUAL REPORT 2023

ABOUT THIS REPORT

Alaris Holdings Limited's ("Alaris" or the "Company") 2023 Integrated Annual Report provides relevant information relating to the economic, environmental, social activities and financial issues of the Company and its subsidiaries, (together the "Group" or the "Alaris Group") for the year ended 30 June 2023. The content and structure of this report conforms to the recommendations and the principles laid out in the King Report on Corporate Governance 2016 ("King-IV™") and complies with the South African Companies Act ("Act") 71 of 2008), as amended ("the Companies Act and the International Financial Reporting Standards ("IFRS").

This report provides an account of the Group's progress to date and offers a forward-looking perspective in terms of future goals, targets and strategies, while aiming to provide a transparent, balanced and holistic view of the Group's performance.

The report summarises key aspects of the Group and provides a strategic overview of the activities within the Group. The underlying strength of the report is the commitment to corporate governance and ethical behaviour.

Board responsibility for Integrated Annual Report

The board of directors of Alaris Holdings Limited (the "Board") takes responsibility for the integrity of the Integrated Annual Report, have applied their minds to the report and believe that it covers material issues and fairly presents the consolidated performance of the Group.

The Board unanimously approved the release of the 2023 Integrated Annual Report on 10 October 2023.

CONTENTS

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

ABOUT ALARIS

OUR VISION

To be a leading global radio frequency ("RF") technology Group by investing in RF-related technology companies.

THE ALARIS VALUE PROPOSITION

At Alaris, in everything we do, we challenge the status quo. This is achieved by looking at RF & Antenna technology differently, where, product innovation, and advanced solutions, are at the very forefront of our customer-centric approach.

Our teams, of multi-disciplined, cross-functional engineers and technical consultants help organisations, regardless of industry, gain the insight necessary to maximize the value of their work output through innovative product and engineering solutions. At Alaris, we partner with our customers and are united in a common purpose of shared goals, the pursuit of excellence and a commitment to technical accountability.

As a diverse group of innovative companies, we pool our competencies to synergistically serve our customers with excellence, integrity, and passion, always striving to exceed customer expectations in value, quality and delivery of solutions that work.

THE UNITED BRANDS OF ALARIS

Alaris, founded in 1997, is a global radio frequency (RF) technology Group. The Group prioritises the creation of its own products and safeguarding its intellectual property. It delivers technologically advanced solutions and products to various sectors, including defence, aviation, marine, wireless, industrial, healthcare, research communities, and government institutes. The Group strives to become a dependable technical advisor and partner in the RF technology field, as reflected in its subsidiaries' customer-focused approach.

THE GROUP AT A GLANCE

The **Alaris Group** consists of:

Alaris Antennas ("Antennas"), established in 1997 and based in Centurion, South Africa, specialises in the design, development, production, and distribution of cutting-edge broadband antenna systems and related RF products for the communication, frequency monitoring, testing and measurement, electronic warfare, and other specialized industries. The company serves a global clientele of system integrators, frequency regulators, and homeland security experts across the Americas, Europe, Asia, and beyond.

Alaris COJOT ("COJOT"), founded in 1986 and located in Espoo, Finland, serves military and public safety markets globally. With more than 35 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.

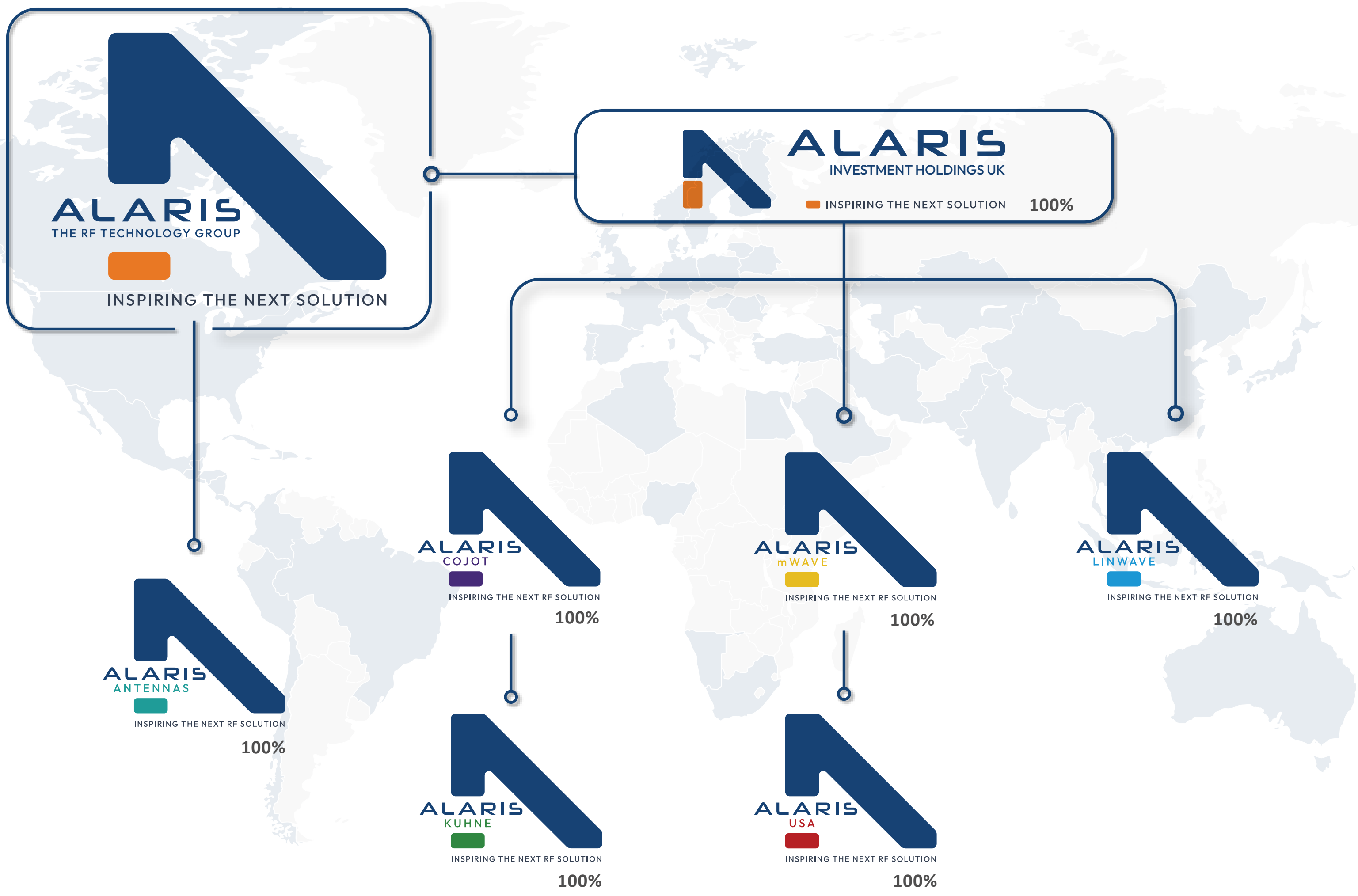
Alaris mWAVE ("mWave"), based in Windham, Maine in the United States, is a leading global provider of advanced custom and commercial microwave and millimetre-wave antenna solutions. The company was established in 2004 and designs and manufactures standard and custom antennas, feeds and components for commercial and government applications.

Alaris USA ("AUSA"), trading as a division of mWave and based in Windham, Maine, sells and supports specialised antennas and other RF-related products designed by COJOT, Alaris Antennas and more recently Linwave Technology and Kuhne electronic products, to customers in North America. Its products are used in the RF communication, frequency spectrum monitoring, testing and measurement, counter unmanned aircraft systems (UAS), electronic warfare, medical equipment and other specialised and emerging markets. Alaris USA clients are system integrators, frequency spectrum regulators, government end users and law enforcement entities.

Alaris Linwave ("Linwave"), founded in 2003 and based in Lincoln in the United Kingdom, 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 environmental applications at frequencies up to 100GHz. Solutions can range from die level semi-conductor components assembled and tested 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.

Alaris Kuhne ("Kuhne"), founded in 1994 and based in Berg, Bavaria, Germany, is an RF and Microwave electronics engineering company, which develops, manufactures, and sells products and components into the healthcare, industrial, amateur radio, SatCom, broadcast and defence market segments. It has an in-house design and development team and a manufacturing department capable of supporting both prototype product build and medium scale batch manufacture, including automated pick and place capability. With the acquisition of Kuhne to the Group effective from 1 July 2022, Kuhne's drive to become even more subsystem oriented has been significantly enhanced.

GROUP ORGANOGRAM



HIGHLIGHTS

ALARIS HOLDINGS LIMITED AND ITS SUBSIDIARIES' FIVE-YEAR CONSOLIDATED FINANCIAL REVIEW

The historical numbers below are reflective of the following:

- mWAVE Industries LLC acquisition was consolidated into the Group on 1 October 2018.
- Alaris USA LLC, a business unit of mWAVE, established on 1 June 2019.
- Linwave Technology Ltd acquisition was completed 26 February 2021.
- Kuhne Electronic GmbH acquisition was consolidated into the Group on 1 July 2022.
- Operations as reported in the financial statements should be used as the baseline for the future.

R'000	2023	2022	2021	2020	2019
Revenue	564 377	353 013	328 305	242 753	245 184
Operating EBITDA	101 725	48 003	70 979	50 551	61 156
Trading Operating Profit	81 028	22 321	57 498	39 535	54 125
Profit after tax	66 533	18 798	46 410	30 985	41 081
Total Assets	544 121	**384 137**	**261 425**	**283 388**	**218 395**
Cash at bank	63 414	35 834	93 177	110 268	41 836
HEPS (cents)	52,67	22,36	38,76	25,89	34,29
EPS (cents)	52,67	15,15	38,73	25,88	34,29
NAV per share (cents)	306,82	213,22	214,58	185,27	137,87
Tangible NAV per share (cents)	227,77	155,78	142,54	130,93	89,48
Actual number of shares in issue (less treasury shares)	126 311 798	126 945 634	121 830 957	119 346 231	119 810 497
Number of employees at year end	202	175	174	129	138

Financial Highlights:

- **Revenue** increased by **60%** from R353 million to **R564 million.**
- **Profit After Tax** increased by **254%** from R18.8 million to **R66.5 million.**
- **Earnings per share increased** by **348%** from 15.15 cents to **52.67 cents.**
- **Alaris Group** announcing the **united brands of Alaris.**
- **Integration** of **Alaris Kuhne** to the **Group** from **1 July 2022**.

Consolidated Value-Added Statement

R'000	2023	2022	2021	2020	2019
Revenue	564 377	353 013	328 305	242 753	245 184
Net cost of raw materials, goods and services	(174 636)	(133 365)	(110 106)	(79 876)	(77 871)
Wealth created by trading operations	389 741	219 648	218 199	162 877	167 313
Other income	1 224	3 320	6 921	1 689	1 111
Finance income	1 350	439	1 133	1 802	430
Total value created	**392 315**	**223 407**	**226 253**	**166 368**	**168 854**
Distributed as follows					
Employees					
Salaries and other employee benefits	205 099	151 403	131 491	108 858	95 295
Providers of capital					
Finance cost	1 346	898	760	558	174
Providers of services					
General operating expenses	83 881	32 502	23 728	5 157	11 975
Government					
Income taxes	14 499	3 064	11 461	9 794	13 300
Retained for growth	87 490	35 540	59 890	42 001	48 110
Amortisation of intangible assets	7 918	6 496	5 584	4 886	4 280
Depreciation on property, plant and equipment	7 042	4 673	3 372	3 216	2 749
Depreciation on right-of-use asset	5 997	5 573	4 524	2 914	–
Net profit after dividend	66 533	18 798	46 410	30 985	41 081
	392 315	**223 407**	**227 330**	**166 368**	**168 854**

THE YEAR AT A GLANCE

The **Alaris Group** experienced a remarkable 2023 financial year in terms of financial results and achievements amidst some challenges that had to be overcome in financial year 2023. In summary, the Group reported an increase in revenue by 59.9% from R353.0 million to R564.4 million and profit after tax ("PAT") increased by 253.7% from R18.8 million to R66.5 million. As a result, normalised earnings per share ("NEPS") increased by 94% from 28.4 cents to 55.2 cents.

As illustrated by the above numbers, the conclusion of the most recent financial year has resulted in a historic year for Alaris, making it a year that the entity can be very proud of. Despite a backdrop of global economic uncertainty, the Group emerged with very positive financial results, whilst confronting challenges that were part of this period.

Innovation is key to the growth strategy at Alaris and a number of development projects were concluded successfully this year. These products were successfully deployed, assisting in an increased sales order intake and market share. The highly skilled teams across the various subsidiaries are committed to work in close partnership with the Alaris clients, thereby serving as trusted advisors.

One of the most significant milestones of the year was the rebranding project and the successful introduction of the United Brands of Alaris in the beginning of the new financial year. This campaign was a landmark event in the history of the Group and was met with very positive feedback from all stakeholders - from the initial introduction to the employees, to customers, partners and investors. The whole process was based on intensive research, discussions and detailed planning. The corporate identity was updated, showcasing the united force of the Group visually. The project also created an opportunity to revamp the websites for the Group, as well as its subsidiaries and thereby placing a renewed focus on the knowledge, products and services from all entities. The revived focus on a cohesive brand strategy should significantly contribute to an increased brand awareness among our target audience in the future.

However, the year was not without its challenges. Various resource changes were experienced during the year, which had an impact on the smooth flow of operations. Experienced resources were brought in and as the newly appointed key individuals settled in towards the latter part of FY23, the impact of these resignations was mitigated and successfully concluded. Alaris is excited to announce that one of the key appointments was that of the new Group CFO, Chris Buckenham, who is based in the UK. This appointment and the move of Chris Vale, Group CTO, to be based at our Linwave site in the UK, are in line with the strategic objectives of the Group expansion project.

Not only within the Group, but globally, the industry is experiencing difficulties in finding RF resources. Therefore, the Group has made a significant effort to increase its expertise in engineering on various fronts and levels, including internships, graduate programmes and bursary programmes to coach the relevant expertise already from a junior age. The appointment of senior business development managers in specific territories had a positive result, as the company was able to work in a closer relationship with its clients in a number of identified areas.

The integration of Kuhne into the Group is an ongoing effort, with several changes that were required post-acquisition and retirement of the founding MD. Systems have been aligned with those of the Group and new processes were put in place to integrate the business. As the market is picking up , management is optimistic about the future of the entity.

While celebrating the Group's acquisitional achievements, it is essential to reiterate our commitment to organic growth. This remains a key focus for Alaris as a Group, as we strive to expand our market presence and executing our customer centric approach. During the past year, a substantial portion of attention and resources were dedicated to the creation of new products and the fostering of innovation. This was accomplished through the implementation of strategic product road maps developed the prior year. The period under review has demonstrated the Group's ability to achieve growth even in challenging circumstances, and we intend to build upon this foundation in the coming year.

Furthermore, acquisitions continue to be an integral part of Alaris's growth strategy, as the Group seeks to broaden its global footprint and diversify its business. These acquisitions do not only offer opportunities for market expansion but also allow the Group to tap into new talent pools and technologies that can drive innovation within the organisation.

In line with the strategy for increasing global territory, the Group's expansion project remains a pivotal ongoing initiative. The ultimate objective of this project is to facilitate the Group's transition to an international listing. Management recognises that an international listing will not only increase our visibility and accessibility to a broader range of investors but will also provide Alaris with greater access to capital for future growth initiatives.

One of the positive changes in the period under review, was the improvement of the supply chain operations. Although longer lead times than preferred were still encountered and new suppliers had to be found, progress was made in streamlining the supply chain processes. This improvement has not only enhanced the company's operational efficiency but also positioned it to better navigate future supply chain challenges.

Looking ahead, the executive team remains optimistic about the future prospects of our group. The achievements of the past financial year have bolstered the Group's foothold in strategic markets and territories, and the company is well-positioned to continue its growth trajectory. The challenges which were encountered, were met with resilience and adaptability, demonstrating the strength and determination of our team.

As the Group moves forward, our commitment to being a trusted advisor to our clients, organic growth, strategic acquisitions, and international expansion will continue to drive the company's success. In addition, the increase in its advanced technological designs and complexity of the products, the significant presence in expanded territories, the diversification of product offerings and additional market segments provide an ideal platform for a lucrative future.

The past financial year has been a testament to ability of the Group's dynamic workforce to thrive amidst adversity, and we are eager to face the opportunities and challenges that lie ahead with the same enthusiasm and determination that define the Alaris Group.

THE YEAR AT A GLANCE (continued)

Alaris Antennas had a successful financial year, despite the low order book at the start of the year. The results remain solid, and the Alaris Antennas management team is optimistic about the year ahead. The company managed to secure higher volume orders, resulting in revenue increasing by 14% from R147m to R168m and a slight increase in profit year on year. The contribution in sales received from the USA increased significantly compared to the prior year with large opportunities in the C-UAS application area.

A number of new products were added throughout the year, expanding the product portfolio to address the increasing C-UAS demand as well as some project specific developments for larger DF opportunities in the naval space. Good progress was made on the internal product development for the ITU market and it is expected to see revenue on this product reflecting in the new year. Further funding was obtained from the Group Innovation Fund to develop an advanced solution for airborne platforms. This solution has garnered significant interest with key customers and the aim is to complete prototype development and testing of the product by the end of the coming year.

Further investment was made to increase capacity for the higher volume orders, by adding another testing chamber and other test equipment to maintain throughput despite higher volumes. It was beneficial to the team that new talent could be added by attracting bright youngsters from university with a passion to learn the complexities of RF and to become part of a successful engineering team.

The order intake throughout the financial year was strengthened by securing orders spanning over multiple years. This provides a better footing for FY24 and beyond with an open order book of about double compared to last year. The product mix is slightly different to the prior year with a heavier reliance on development projects with longer delivery cycles. The products currently in development incorporate increased complexity and have surpassed technical obstacles that resulted in new patents and certain advances in DF principles that create the opportunity to remain at the forefront of DF technology.

Through collaborations with other subsidiaries and partners, the new internal product developments will continue throughout FY24. The business development team has successfully widened the reach into various customers promoting these new products and interest levels look promising.

Based on the significant increase in product sales relating to C-UAS applications in FY23, further uptick in this area is expected and the marketing and sales effort has been adapted to unlock these opportunities worldwide.

Alaris Antennas endeavours to grow its team by adding a mix of experienced individuals and young talent that can help grow the company sustainably into the future. Its bursary and vocation programmes have proven successful and continued funding into these initiatives should ensure a steady pipeline of bright individuals in the future.

Considering the uptick in orders that span over more than one year creating better visibility into future revenues, the Alaris Antennas management team looks forward to a successful 2024 financial year.

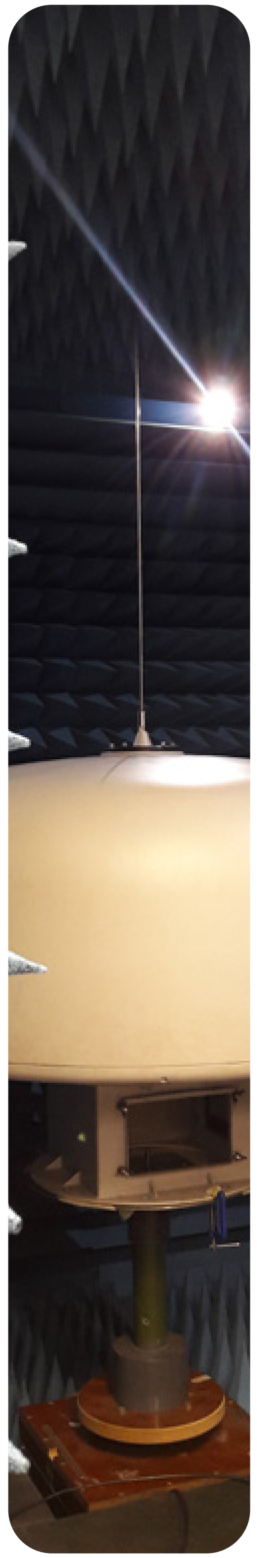
Alaris COJOT reported a remarkable year of growth, with revenue increasing by 45% from €4,57 million to €6,65 million. This growth reflects the business's exceptional dedication to meet customer demand and the teams' focus on operational excellence and efficiency, which is evident in the substantial increase of 71% in PAT from €0,93 million to €1,59 million. The results are significant for COJOT. The numbers highlight the team's ability to convert revenue into profitability.

Amidst the persisting global component scarcity, initially presenting challenges and causing delays in major client deliveries during the year, the company observed a subsequent improvement in the situation in the latter part of the 2023 year. The prices of raw materials and components continued their upward trajectory, accompanied by prolonged lead times. To manage risk, COJOT implemented measured price increments for sales throughout the financial year.

Significant milestones were achieved in several steered beam antenna (SBA) sales projects during the financial year. These successes demonstrate the highly skilled engineering capabilities and technical expertise of its employees, whilst delivering cutting-edge solutions to clients. As part of the strategic roadmaps, the SBA projects provide a solid foundation to COJOT for future business opportunities.

The outlook for financial year 2024 is positive, as the business commences the year with a very healthy order backlog. Key to the growth strategy, is the strategic product portfolio of smart antennas, which includes SBAs and MIDAS products, and which provides a unique competitive advantage to customers. This portfolio will contribute significantly to the organic growth of the COJOT, enhancing its market position.

The COJOT Management team is positive that the outlook for COJOT remains promising, and the entire team is committed to leveraging the business strengths to drive sustainable growth and profitability.



Alaris mWAVE revenue increased 104% over the previous year with a significant portion of that being in larger, custom system sales that will have programmatic repeat business. These projects require significant upfront engineering and design effort but that is leveraged to obtain and efficiently produce revenue going forward. The business also remains the market leader in commercial, larger-aperture, very high frequency antennas. mWAVE accomplished several product developments in this market area that contributed minor revenue in FY23, but that will be realised more fully in F24 and beyond.

After-tax profit increased to $447k compared to a loss of $181k in FY22. This improvement was a combination of increased revenue, improved gross margins and small growth in operating expenses.

mWAVE is well positioned for organic growth since the USA has the biggest defence spend and largest portion of the global electronic warfare market. Its product lines complement those of the Group's other subsidiaries, providing a further positive outlook for growth. The company is also focused on growing the geographical sales footprint through cross-selling opportunities with other Group subsidiaries. A good example of this is a large program where mWAVE is currently manufacturing products for an Alaris Antennas international customer.

The company continues to focus on increasing the number of sales opportunities and more effectively quoting and closing them. The company is also concentrating on getting in front of clients via tradeshows and direct visits. 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.

A significant contribution was recorded by **Alaris USA** for the fiscal year 2023. A valuable uptick has been observed in the USA market during the past year, and said entity observed these changes directly when large orders for compact Alaris Antennas DF antennas were received and delivered to a key customer.

Additional proposals were submitted and allocated awards were received successfully for Alaris Antennas compact DF antenna design-ins with other large defence contractors. These programmes provide a solid foundation for the future as it will help secure more orders as programs are awarded.

During the year, closer cooperation and deeper entrenchment took place with two key partners on developing COJOT SBA antennas and SBA antennas with integrated RF electronics. This engagement is to position Alaris USA for future product orders for mentioned designs.

Alaris USA sees great potential in expanding the customer base in the USA and Canada for the Linwave and Kuhne product lines with dedicated sales efforts working towards this goal. The ongoing efforts to get designed in on 1-Channel DF antennas, airborne DF products and additional compact ground based DF antennas with existing and new customers will serve to drive growth for Alaris Antennas product sales in parallel to the smart antennas from COJOT.

Alaris Linwave ended the 2023 financial year with a 31% increase in turnover from £4.83m the previous financial year to £6.31m FY23, as well as an increase in profit of 13% from £486k to £550k. The 2024 financial year started with a strong forward order-book to the value of £5.2M and in addition the business received a £1.2M production order which will be scheduled throughout the back end of FY24 into FY25.

The business has a positive outlook for FY24 with a number of significant opportunities in the pipeline to strengthen the order book further. Due to ongoing issues with long component lead-times from some elements of the supply chain however, the exact timing of these order placements will be critical in ensuring which projects will be delivered on time.

A general downturn for Microwave Source Module ("MSM") related products for the medical markets has been experienced, due to over-stocking during the worst of the supply chain challenges following the Covid pandemic, and the subsequent re-balancing of supply and demand since. The management team is confident that there remains a longer-term demand for these products and that demand should start picking up again throughout the 2024 financial year.

By contrast, an increase in activity in both the aerospace and defence sectors has been experienced, and this has resulted in both a number of new significant value orders and quote requests. In addition, there is a requirement from customers for Linwave to increase its output capacity, which is in the process of being implemented. A large proportion of this activity is related to an existing design which is qualified and "production-ready", thereby adding additional opportunities to the existing orderbook.

The implementation of Business Central (MS Navision) as the company ERP system, to align to that of the Group, has required a significant amount of time and effort from key members of the team. However good progress has been made and a BI tool will be integrated going forward to enhance reporting and further help drive business enhancements.

Linwave is nearing significant milestone deliveries across multiple and very challenging development projects which, if successful, will lead to significant new ongoing production requirements for aerospace applications. This has been supported by our enthusiastic intake of young graduates supporting our experienced engineering team. These young skills offer much promise for the future, whilst performing exceptionally well during the year itself. As a result, the business continues to invest in both apprenticeships and graduate sponsorships in order to develop engineers for the future, an area where there remains significant ongoing demand for these skills.

An increasing number of opportunities in the US, Europe and further afield for the technologically advanced skills and products of Linwave have been experienced recently. During the last few months of the financial year an investment was made to further strengthen the business sales team with further product knowledge in order to work closely with clients in providing appropriate technical solutions to their requirements. This underpins the business's growth aspirations for the future.

FY23 represents the first financial year for the Group inclusive of Kuhne electronic GmbH ("Alaris Kuhne") with the acquisition completed on 1 July 2022. **Alaris Kuhne** ended on a high note with the highest accumulated revenue in the company's history. Revenue achieved for the period amounted to €2.78million, of which 65% was generated in the second half from 1 January to 30 June 2023. During the financial year FY23 the headcount was stable with twenty full-time employees.

The new financial year starts off with a low order book, therefore the focus will remain on organic growth and on turning the sales process around by actively onboarding new customers. The outlook is positive, as there are already significant opportunities in the pipeline which Kuhne believes will turn into firm orders. Some relaxation in the procurement market has been observed for the purchasing of components used by Alaris Kuhne, with lead times and availability slowly improving. However, the obsolescence of some items continues to cause disruption in the product pallet.

Amongst other products, the engineering team has developed high quality amplifiers (250W and 450W) which are highly regarded in the medical equipment and plasma generation market. Unfortunately, a bit of a slowdown has been experienced in the MSM market, and clients are therefore moving existing orders out. The power amplifiers, which are leading products in the field in terms of size and weight to power output ratio, are also used in plasma generation.

Alaris Kuhne has actively been participating in trade shows during the year. Amongst others, the DSEI in London latterly in September 23, the IBC in Amsterdam and the EuMW in Berlin. Potential leads were generated at the shows, and the team is already starting to see the number of opportunities increasing in Europe, UK, US and Australia. Alaris Kuhne, with its highly knowledgeable engineering division, excellent manufacturing capabilities and strong personnel skills, has become a reliable asset for many clients in the microwave market.

In the new year, Alaris Kuhne will be strengthening its sales team and focus on activities to steadily improve the sales process as the site has accepted challenging growth aspirations and will be working dynamically to achieving these.

GOVERNANCE

MODERATING OUR BEHAVIOUR

ETHICS

Alaris's human resources consists of a multi-cultural team while also engaging with customers and suppliers from a variety of cultures. Alaris does not tolerate any form of racism, sexism, and other forms of discrimination. This is communicated via our Group policies and culture. Management ensures prompt action and clear communication to eliminate any contradictory behaviour.

The Board constantly considers and evaluates the short- and long-term impacts of the Group's strategy on the economy, society and the environment. Where possible our products are designed to ensure that the natural environment is not compromised.

All employees throughout the Group are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner, which in all circumstances, is above reproach. The responsibility of the Social and Ethics Committee is to monitor and ensure that Alaris and its employees continue to act in a responsible manner and to remain good corporate citizens. A strict code of conduct is in place to ensure that an honest and credible working environment is created and sustained.

Executive directors of the Group and its subsidiaries provide annual written declarations that they are not aware of any corruption or bribery that transpired in the day-to-day operations.

Any suspicions of fraud, corruption or unethical behaviour can be reported on an anonymous basis if required to the chairman of the Board or the chairman of the Audit & Risk Committee, and employees are regularly reminded of this. Any concerns in this regard can also be reported to the Group CEO or Group CFO through an established Whistle Blowing procedure.

The impact of Alaris' decisions on internal and external stakeholders is monitored on a constant basis and feedback is investigated and resolved where possible.

REMUNERATION

The Group's remuneration policy is reviewed annually and remains in-line with Alaris' values and objectives. Target incentives, which are recommended by the Remuneration Committee to the Board for approval, are in place to ensure that exceptional employees are rewarded for their efforts in a controlled and authorised manner.

The long-term element of the remuneration policy is addressed via the Long-Term Share Incentive scheme (LTiP) where share options are allocated to certain senior employees as a mechanism to align their interests with shareholders and as a retention mechanism.

GOVERNANCE

The Group is committed to on-going and effective communication with stakeholders. It subscribes to a policy of sound corporate governance and open and timeous transparent communication.

RISK

The Board is ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, it has delegated various functions to the Audit & Risk Committee which amongst other things sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

Management assesses risks on a continual basis and any significant changes are discussed and presented to the Audit and Risk Committee. Pre-emptive decisions are taken when risks are identified to minimise the impact of these risk factors on the economic, social and environmental responsibilities of Alaris.

MATERIAL RISKS IN THE GROUP

Risk	Context	Mitigating actions
Limited organic growth	Global economic volatility impacted organic growth across all subsidiaries. Projects were delayed and moved into the new FY.	• Maintain focus on financial fundamentals (increase profits and EPS. • Enforce strategic growth plans. • Continue diversification of product offerings and additional market segments.
Scarce skills	RF engineers worldwide are a scarce skill. Engineers with RF expertise are even more scarce in South Africa due to skilled engineers emigrating abroad.	• Build a pipeline of good engineers through activities like vacation work, bursaries and learnerships to feed engineering talent pipeline from the bottom up. • Create opportunities for engineers in South Africa at all subsidiaries to retain valuable employees in the Group whilst developing skills across all of the Group's operations.
Unstable economic conditions in South Africa	Doing business in South Africa is difficult and becomes commercially unviable. (Shrinking supply chain, lack of growth in the country, brain drain and electricity supply/ infrastructure; limited business in SA).	• Expand further on international opportunities. • Maintain/increase export revenue. • Consider non-South African outsource options. • Investigate feasible BBBEE options. • Restructure to rebase in the UK to manage risks whilst benefiting from new investment and growth opportunities groupwide.
Pandemics and geopolitical uncertainty (including the war between Russia and Ukraine and Covid-19)	Triggers a business continuity plan at each site: • Access by the Group to Intellectual Property • Access of financial information • Human resources –how the business will operate with the resources available • Manufacturing – how this will be relocated or managed through staff absence.	• Business recovery plans in place at each site • Monitor input prices and seek to pass these on to maintain margins and profitability. • Maintain regular communication with customers and suppliers. • Be aware of potential impact to customer and supplier operations. • Maintain digital marketing and business development to maintain lead and order generation. • Maintain home working and remote working capabilities where possible. • Weight rolling order forecasts to appropriately reflect risks and potential impacts.
Lumpy nature of the business	Lumpy nature of underlying business threatens consistent annual growth aspirations.	• Actively drive & monitor rolling order forecast • Seek more acquisitions to diversify risk and add higher volume. • Increase business development capability/ capacity. • Proactively forecast including the order intake to manage resources in line with projected activity levels.
Foreign exchange risk	Impact on the financial results and standing through fluctuations in currencies, in particular exposure to the South African Rand.	• The Group proactively manages forex exposure to the Rand, by using futures contracts to hedge against Euro and US Dollar exposure held in SA. • Outside of SA the Group relies on a natural hedge of US Dollar, Euro and Sterling with a balance of sales and purchases in these currencies across the non-SA subsidiaries. The Group's working capital is forecast and monitored in the local currency of each. • Intergroup trade utilises currencies to ensure the cost of forex conversion is minimised.

CHAIR'S REVIEW 2023

"If you are in high tech, or for that matter in any other sector characterized by recurrent disruption, you can't sit still. You simply have to be a growth company. If your enterprise is not in a growth category, if all you are doing is optimizing your current market positions, you are a sitting duck."

— Geoffrey A. Moore, *Zone to Win: Organizing to Compete in an Age of Disruption*, 2015.

Our 2023 financial year started modestly, but the relentless efforts across our subsidiaries culminated in a record-breaking performance. For the first time, we surpassed the R500 million revenue mark — a monumental year-on-year growth of over 50%. Special commendation goes to mWave for doubling its revenue. Simultaneously, our normalized Earnings Per Share (EPS) increased by 98%.

Looking ahead, we are optimistic about maintaining a growth trajectory and further enhancing profitability. All subsidiaries are committed to organic growth, and with the noticeable market upswing, numerous lucrative opportunities are in our pipeline for the upcoming fiscal year.

This past year, the Board conducted a meticulous review of the Group's strategy. We are reaffirming our commitment to being a strategic technology holding company in the Radio Frequency (RF) and Microwave technology sectors. Guided by a dual-pronged strategy of sustainable organic growth and strategic acquisitions, we continue to focus on in-house design, manufacturing, and IP development to serve the global B2B market through a customer-centric, trusted advisory approach.

Although the Alaris business lacks an annuity base and has demonstrated some volatility, strategic planning and a nuanced understanding of market dynamics remain our focus. Taking a leaf from Steve Blank's book, who famously initiated the lean startup movement, we subscribe to his mantra: "There are no facts inside your building, so get the heck outside." With this in mind, our investment in proactive product development is set to double in 2024.

Alaris is a global entity, a symbiosis of diverse subsidiaries spanning multiple industries and geographies. To better mirror our global stature, we launched a new corporate identity at the beginning of the 2024 fiscal year, of which we are extremely proud.

Ensuring a competitive remuneration policy is vital to attracting and retaining skilled personnel, an even more pressing concern in the post-COVID landscape. The Remuneration Committee has recently realigned our policies with global benchmarks. I extend special thanks to Committee Chair, Carel van Der Merwe, for steering this crucial initiative.

Our ongoing restructuring project, aimed at increasing shareholder value and mitigating geopolitical risks, is on track for completion by the end of the 2024 fiscal year. In connection with this, our CTO, Chris Vale, has relocated to the UK and is now based at Linwave. We are also thrilled to welcome Chris Buckenham as our new UK-based CFO.

We say a fond farewell to Elsie Muller, our previous CFO, who has stepped down to focus on her family and her new baby boy. Her dedicated service leaves an indelible mark on our Group.

In closing, my heartfelt gratitude goes out to our executives, fellow directors, and employees for their exceptional dedication during this record-breaking year. The Board and I are extraordinarily pleased with our Group's performance, and we commend each of you for your contributions.

I invite you to explore the details of our remarkable journey over the past year in this annual report.

Coen Bester
Chair of the Board

12 October 2023

GROUP CEO'S REVIEW

A Remarkable Financial Year for the Alaris Group: Achievements, Challenges, and Future Prospects

The Alaris Group concluded an astonishing fiscal year 2023, marked by an increased order intake, heightened revenue and a global rebranding project. Maintaining resilience amidst worldwide uncertainty was possible due to the strategic emphasis placed on organic growth, innovation and mitigating risks from an operational perspective.

The year started off softly, but all the consistent efforts across the subsidiaries yielded positive outcomes for the year. I am therefore grateful and proud to report on a historic achievement with revenue of R564.4m and a PAT of R66.5m (FY22 revenue R353.0m and PAT R18.8m). Since sustainable growth remains core to the business plan, a number of key actions have been put in place from the start of the financial year to encourage specific objectives for the period ahead. Every effort was aligned and strategically coordinated to work towards growth and the successful conversion of opportunities. In addition, the subsidiaries worked closely together to ensure successful performance and delivery of orders to the customers in time, thereby living the Group's core value of customer centricity and the strategy of interacting with their clients early in the project cycle. Synergies between the various entities in the Group, in the form of cross-subsidiary projects and developments are in a healthy state. The contribution to revenue based on leveraging these synergies amounted to a record value of approximately R100m.

During this year, all travel reverted back to a nearly normal travel experience, leading to an increased attendance at shows and in-person meetings, which in turn had a positive impact on customer engagements. All entities in the Group have ended on positive results and started the new fiscal off with a valuable open order book.

The year was also marked with a couple of challenges, especially on the resource front. With the resignation of Elsie Muller (Group CFO) and Johan Lourens (Group FM), a lot of institutional knowledge and experience was lost. In order to mitigate the concerns, interim resources were brought on board to assist with the handover and to ensure continuation of proper financial governance and procedures, whilst the right candidates for the roles were recruited. Chris Buckenham, who is based in the United Kingdom, was appointed as Group Chief Financial Officer and joined the Group in May. Iaan van der Merwe was welcomed into the role as Group Financial Manager in August following interim appointments holding the fort. We would like to extend our thanks to those who assisted and say a particular thank you to Sandeep Makan, who contributed positively, assisted Iaan and Chris in the transition and stayed on through to the conclusion of the Group's audit.

Not only at Alaris, but globally, experienced RF resources remain a scarce skill in the industry and the Group continues investing in efforts to increase the expertise of its engineering and sales divisions.

United Brands of Alaris

Alaris is a global group that brings together a diverse range of subsidiaries under one umbrella. With a presence in multiple industries and geographies, Alaris needed a brand identity that would reflect its global position and unite its various businesses under a single brand identity. Customers have commented in the past that it is confusing how the Group is constructed. Therefore, a major marketing project was launched in October last year to create a new brand identity, showcasing the Group as a united front.

Although the project has become larger and more complex than initially planned or anticipated, it is with excitement that we can also refer to this as one of the major achievements and highlights of the year when the new corporate identity was launched in the beginning of FY24. The project was built on a variety of interventions. First and foremost, the logos of the Group as well as all its subsidiaries were redesigned, bringing the visual unity of the Group together. In the next phase, integrated marketing initiatives consisting of an entirely newly developed website and updated LinkedIn profiles were launched.

The introduction of the new brand was done over a couple of weeks, first internally to employees and board members, then a soft launch during which email addresses and email signatures were changed and finally, the external launch to the public at the DSEI exhibition in London. In a short space of time, very positive feedback has been received from a number of stakeholders already.

Innovation

During this year, substantial time and focus was allocated to innovation and new product development based on the strategic product roadmaps that were constructed in the previous year. The established Board Innovation Fund generated significant progress in the design of new products. It provides a sense of pride and excitement to notice what can be achieved by the highly skilled teams in the Group.

The development of more complex products places the Group in an ideal position to move up in the value chain. In addition, these activities are core to keeping up with the trends, to provide leading edge technology to the Group's customers and to increase the diversification of product types. Conducting projects in partnership with customers, is a crucial step in the success of the development and launch of a new product. We are excited about the value these projects have added to our customers.

As a result of the geopolitical instability, various countries, especially in Europe, have increased their defence spending. This is still viewed as a considerable opportunity for the Group and Alaris is well-positioned to provide technologically advanced products to address the needs and provide solutions to concerns countries might have.

The Group's highly skilled engineering teams around the world, possess the appropriate knowledge and unique experience to serve as trusted advisors, developing solutions alongside our clients to address the surge in demand for defence and security offerings. In addition, the company is carefully following trends and consistently broadening its product portfolio through innovation.

Restructuring

The restructuring project of the Group was originally started with the objective to enhance shareholder value only. However, this is not the only reason any longer, as a major other concern raised is to mitigate the increasing level of geopolitical risks. Discussions with advisors, legal counsel and shareholders are continuing in order to find the most appropriate solution for all stakeholders.

In line with the restructuring, Chris Vale, Group Chief Technical Officer, emigrated to the UK earlier in the year and is based at the Linwave offices. The dynamics of his role remains as stipulated, however, based on location, he will now be able to have easier interaction with the other subsidiaries and our customers.

Acquisitions

Although the focus was more on organic growth this year, a number of potential acquisitive growth opportunities have been reviewed during the year and engagements have taken place.

This methodology remains an integral component of the Group's strategic roadmap and opportunities will continuously be evaluated against determined criteria. It offers the Group a suitable approach to augment its global presence and to enhance our proximity to clients.

The integration of the Kuhne acquisition was successfully addressed during this past year and is nearly complete.

The Year Ahead

All subsidiaries started financial year 2024 with a solid open order book and the outlook is positive. A lot of effort has been made by the subsidiaries to address the lumpy sales business by ways of strategic planning, understanding, and adapting to markets and diversifying revenue streams through innovation and new developments.

Every subsidiary drafted a sales growth plan which provides guidance on how the entities will approach growth in the coming years. In most of the subsidiaries the order books are in a healthy state, but the foreseeable challenge could be to have sufficient and appropriate engineering resources and capacity to fulfil the orders. This scenario will be closely monitored. Fostering the capability of RF/ Microwave electronic design and manufacturing will allow for diversification and will further secure the continued and sustainable growth of the subsidiaries in the Group.

Thank you

As mentioned, FY23 has been a historic year for Alaris as a Group. For this, we are extremely grateful to everyone who contributed to this milestone.

First of all, I want to express my sincere gratitude to each and every employee of the Group for your dedication and contributions. Your hard work, passion, and commitment have been instrumental in the success we've achieved over the past financial year. You've demonstrated resilience and adaptability, and collective efforts have not only bolstered our company's performance but have also strengthened synergies in the Group. Thank you for being the driving force behind our achievements.

To all shareholders, I wish to extend a word of appreciation for your trust and commitment to Alaris, as well as the patience during the restructuring process. Shareholder engagements have taken place during the year, providing valuable input and support to our strategy. The Executive Team and Board remains committed to the restructuring and relisting on an international platform.

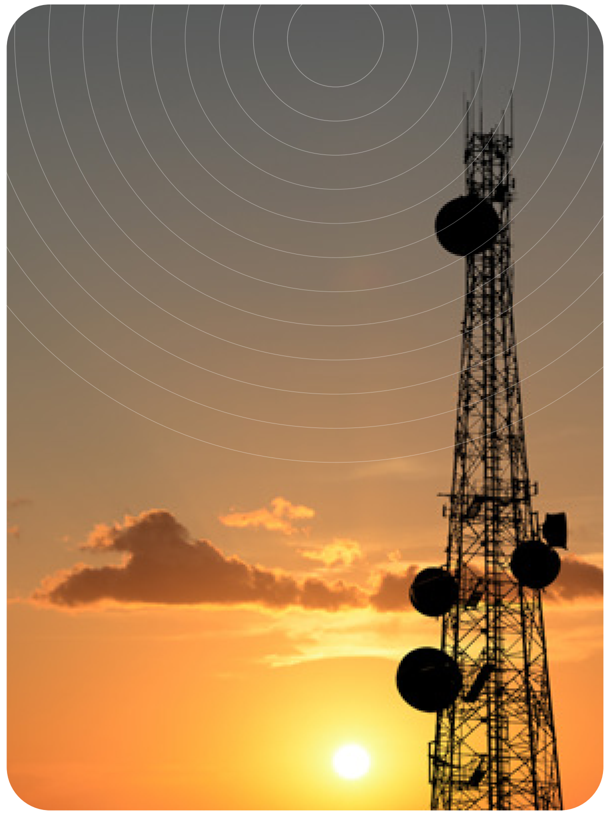
I would like to extend a heartfelt thank you to the members of the Alaris Boards for your unwavering commitment and a cohesive approach to the Group strategy and regular constructive interactions.

And last but certainly not least, to our clients worldwide - thank you for your confidence in the Alaris Group of companies, our people, our technologies, and our services. We seek to be your competent trusted advisors through our superior product offering.

As the Group CEO and with all information in mind, I remain confident the Alaris Group is destined for significant achievements, and we are incredibly excited about the future. As a team, we look forward to another year of growth, collaboration, and shared success.

Jürgen Dresel
Group CEO

12 October 2023



GROUP CFO'S REVIEW

Principle events and overview

The 2023 financial year has seen some notable milestones and events for the Alaris Group, with a record level of growth and profitability achieved despite the geo-political and economic backdrop that the world encountered. These challenges continue both in South Africa and further afield. Interest rate rises and inflationary pressures have been unparalleled following on from Covid-19, supply chain shortages and industrial disputes. Most of us have seen little to compare in living memory and all have needed resolve and focus to ensure the Group steered a successful path through these. The record results follow on from a challenging FY22 which also serves to remind of the lumpy nature of the Group's revenues and projects in our markets, as seen over many years.

Despite this the Group has now grown both organically and through acquisition with FY23 incorporating Alaris Kuhne for a full year's results, adding R52m in revenue and normalised PAT of R300k. Like for like FY23 saw revenues increase by 45% excluding Alaris Kuhne's contribution.

FY23 also gave rise to resource and skills challenges with the loss of both my predecessor and our Group FM through April. Elsie chose to move on and focus on family life whilst Johan also chose to move and start a new life with his family elsewhere in the country. Such a loss of institutional knowledge and long service is always a risk and a challenging time, not least both were highly respected in the Group, and we wish both all the best with their new lives.

Results review

R'000	2023	2022	Growth
Segmental revenue			
Alaris Antennas	168,218	147,141	14%
Alaris COJOT	123,729	78,784	57%
Alaris mWAVE	184,835	70,484	162%
Alaris Linwave	135,051	97,678	38%
Alaris Kuhne	51,787	-	0%
Cross selling	(99,243)	(41,074)	142%
	564,377	**353,013**	60%
Profit for the year (PAT)			
Alaris Antennas	29,399	28,669	3%
Alaris COJOT	27,757	15,958	74%
Alaris mWAVE	18,183	(2,747)	-
Alaris Linwave	11,758	9,842	19%
Alaris Kuhne	300	-	-
Corporate and consolidation	(20,863)	(32,924)	-37%
	66,533	**18,798**	254%

Values as presented in the comprehensive statement of profit or loss on page 47.

Non-recurring (exceptional costs) of R3.16m were incurred in the year which predominantly related to acquisition costs of Alaris Kuhne and the ongoing fees associated with the Group's restructure and intended UK move for the holding entity. The restructure costs are ongoing into FY24 as that process continues.

Adding back these exceptional items, the result reports as below with a 96% year on year growth in PAT, with significant exceptional costs incurred in FY22 including R4.4m de-listing fees from the JSE, R8.9m goodwill impairment on the Alaris mWave results in FY22 following the challenges the US business faced and R3.1m costs of acquisitions:

R'000	2023	2022	Growth
Normalised earnings after tax for the period	**69,729**	**35,213**	98%

Key drivers

Our US business delivered a revenue of R185m in FY23 which represents growth of 62% following a particularly challenging FY22. This combines both our Alaris mWave business and sale of own products with the Alaris USA business distributing our Group products. We are delighted to report such a turnaround from the challenges highlighted in FY22.

Alaris Linwave delivered a 19% profit growth from 38% revenue growth. A new ERP system was implemented in the financial year which has consumed significant time and effort with the key benefits still to be utilised. These are focused to enhance the gross margins which reported a decrease of 13% to FY22 through larger projects being undertaken. This remains notably below the Group's expectations and a focus point for FY24. Engineering however delivered some successes not least supported by graduates and a close association with the local university in Lincoln, UK. This will assist to drive further innovation and underpin margin recovery which otherwise suffered from supply chain pressures on electronic component sourcing.

Alaris Cojot had an exceptional year with 57% growth in revenues and 74% at PAT with resources materially unchanged. As with other parts of the Group, engineering skills remain a challenge in Finland, but we are delighted to welcome a new CTO here from mid-September 2023. Revenues here saw a late surge which surpassed expectations as customer schedules were brought forward. This we expect will reduce the level of growth in FY24.

Alaris Antennas continued to grow with 88% of revenues export in the year. Here, as with Cojot engineering resources have been scarce and churn rates higher than in previous periods which have attributed to the modest growth in profitability at 3%, despite margins remaining robust and ahead of FY22 following a focus by the team on process improvements and close management of the supply chain.

Our internal innovation funding program moved forward, led by our Group CTO Chris Vale. This is facilitated through our non-SA holding company Alaris Investment Holdings UK Ltd through which we have also registered in the year our new brand trademarks. During FY23 some R3m was awarded to the Group companies to ensure IP and technology developments remain a focus point across the Group.

International focus

Despite its foundations being in South Africa, the key customers and markets for the Group remain in the Northern Hemisphere as shown in the table below, with just 3% of revenue derived in South Africa. 88% of Alaris Antennas revenue related to export, reinforcing the Group's strategy to relocate the holding company to the UK:

R'000	2023 Amount	2023 %	2022 Amount	2022 %
REVENUE				
Total	**564,377**	**100%**	**353 013**	**100%**
Americas	195,708	35%	79 199	22%
Europe	134,440	24%	74 631	21%
United Kingdom	135,347	24%	102 278	29%
Asia, Middle East, Australia	79,168	14%	79 608	23%
South Africa	19,714	3%	17 297	5%

Cross selling and leveraging the Group's capabilities remains a focus of the growth strategy with the development of an integrated offering and complimentary products, combined with a close working relationship across the business teams. FY23 reflected this with a 142% growth in cross selling, this reflecting supply across the sites but also reflective of the AUSA distributed sales increase and the US market demand upturn.

Key ratios

	2023	2022
Solvency	3.48	3.39
Liquidity	3.07	3.02
Cash at bank (Rm)	63.4	41.7
Basic EPS (cents)	52.67	15.11
NEPS (cents)	55.20	28.38

EPS grew by 348% to 52.67 cents whilst over a three-year horizon from 2020, EPS growth reports at 204% from 25.88 cents in 2020, substantially ahead of the Group's target of 20% per annum (72% cumulative over three years), despite the lumpy nature of the results through the period.

Working capital - despite the increased cash at year end, inventories reflect an increase of R45m to R115m with higher stocks remaining post supply chain challenges, particularly within electronics and ongoing larger projects within work in progress build at year end. Trade debtors increased by R37m to R160m compared to trade payables which increased by R26m to R107m with significant revenues generated in the final month of the year.

Borrowing increased by R3.3m to R4.5m, predominantly with a $0.5m loan taken at Alaris Cojot to support the acquisition of the property at and by Alaris Kuhne, an Interco loan back-to-back made to Alaris Kuhne. Alaris Cojot was the vehicle used to acquire the Kuhne business as a 100% subsidiary, following tax advice, rather than Alaris Investment Holdings UK Ltd directly.

Looking ahead

There remain uncertainties in the world which brings opportunities for the Group alongside challenges. The organic growth aspirations remain coupled with further acquisitions as and when these are available and suitable to continue the Group's development and desire to move up the value chain.

I was unable to enjoy a handover with my predecessor Elsie, although would like to thank her for continuing to support with the all-important historic knowledge. Nevertheless, following my appointment in May 2023, I have been supported through this transition by all and several interim appointments primarily in the Group FM role, to whom I am very grateful and would like to thank all. I would also like to say a particular thank you to Vicky and Sandeep for their hard work and support through their interim periods and am delighted to say Iaan van der Merwe, our new Group FM is now in position and completing his own handover period. We can now move forward and hope for a long period of stability as we embark on the next chapter of the Group's development, underpinned with our new brand launched in September 23.

This period has brought further changes with our CTO now redomiciled in the UK, working from our Alaris Linwave offices and sharing an office with myself, as well as our Group Marketing Officer based out of our Alaris Kuhne offices in Germany. These changes are more than cosmetic with all Group resources previously located at the Alaris Antenna's offices in South Africa, they reflect a significant change and reinforces the Group's international focus and intended restructure, alongside the move of the holding company to the UK. The restructure process remains a priority for the Board as we work with the regulatory authorities to achieve this important step. A huge thank you to everyone in Alaris who has contributed to this year's record results and made me feel very welcome, assisting my first months in the Group. I very much look forward to the challenges and opportunities that lie ahead and a successful future for the Alaris Group.

Chris Buckenham
Group CFO

12 October 2023

OUR GOVERNANCE TEAM

Coenraad Bester ("Coen")
Born: 1956

Independent Non-Executive Director and Chair
Appointed to the Board on 21 January 2004
PhD (Industrial Engineering) (SU) BSc Eng (Elec) (UP) BSc Eng (Elec) Hons (UNW)
MBA (UP), OPM (Harvard Business School)
PGDip (Futures Studies) (SU)

Coen started his career as lecturer in electronic engineering at the universities of the Nort West and Pretoria, and then joined ARSMCOR as program manager of electronic warfare systems, whereafter he founded a high-tech company in the digital recording space which he managed as CEO for ten years. Following the sale of the company to a listed entity, he started a strategy consultancy in 1999. He acts as a mentor to several high-technology companies in the information, communications and electronics markets and serves on the boards of a number of such companies. He also lectures part-time at masters level on the topic of Technological Entrepreneurship at the University of Stellenbosch (Department of Industrial Engineering). He published his first book, Live and Lead already in 2012.

Jürgen Dresel
Born: 1967

Chief Executive Officer
Appointed to the Board on 21 February 2000
Dipl. Ing. (TU Munich) MSc Eng (Elec) (Wits)

Jürgen is the Group CEO of the Alaris Group of companies and was appointed to the Board of Directors in February 2000. He completed his IT and Telecommunication studies with a Dipl. Ing degree at the Technical University of Munich, Germany in 1993 and in 2000 he completed an MSc in electrical engineering at the University of the Witwatersrand. Jürgen started his engineering career with work that comprised antenna design and development in the frequency range from 10 kHz up to 6 GHz, antenna placement simulations, and project management. In 2003, Jürgen took over the management of the defence section of Alaris Antennas where he concentrated his efforts on management and sales of large defence-related projects. He was involved in taking the company public in 2008 and became group CEO of Alaris Holdings in 2015. In 2016, 2018, 2021 and 2022 respectively, he has spearheaded the Group's expansion effort in which Alaris successfully concluded the acquisitions of COJOT, mWAVE Industries, Linwave Technology and Kuhne electronic into the Group of companies, thereby expanding the global footprint of the Alaris Group.

Richard Willis

Born: 1969
Lead Non-Executive Director
Appointed to the Board on 1 February 2015
CA (SA)

Richard qualified as a Chartered Accountant in 1994 after having completed his articles at Deloitte. Since then, Richard has worked in the financial services industry, both locally and internationally, occupying various financial and operating positions. Currently Richard is the Chief Executive Officer at Douglas Investments, a boutique private client asset management company focussing on high net-worth families.

Carel van der Merwe
Born: 1957
Independent Non-Executive Director
Appointed to the Board on 1 June 2018
B. Eng (Electronics) (Stellenbosch)

Carel started his career as a radio frequency development engineer and gained his first international experience by working in Germany from 1984 to 1986. In 1996 he was appointed as Managing Director of GEW Technologies who is active in the field of providing radio communication system solutions to international customers. He has held this position until his retirement in April 2018.

Gisela Heyman
Born: 1979

Executive Director
Appointed to the Board on 1 June 2015
CA (SA)

Gisela qualified as a Chartered Accountant in 2005 after completing her articles with Deloitte. She started her corporate career as Group accountant with Datacentrix, a complete ICT systems integrator, listed on the JSE. She spent the last three of the seven years with Datacentrix as the Group Financial Manager in charge of the full financial function. Subsequently, she was appointed as Financial Director of G4S Secure Solutions, a multinational UK listed organisation in the security industry. Her responsibility spanned from finance with strict working capital management to IT – and ERP systems, legal, company secretarial, procurement and logistics. She has been involved in foreign and local acquisitions including valuations, contract negotiations and post-acquisition implementation processes. Gisela was appointed as the Managing Director of Alaris Antennas on 1 April 2019. She is also responsible for the Group HR role.

Chris Neser
Born: 1987

Non-Executive Director
Appointed to the Board on 20 December 2019
CA (SA)

Chris has over seven years' experience in investment advisory and strategic involvement in Operating Entities, Asset Management and Group Restructuring. He has been extensively involved on boards of various investment entities with experience in hedge funds and unit trusts, including the listing of the Pivotal Fund in 2014 and Tadvest Limited in 2016. This includes the restructure and enhancement of balance sheets of companies within the Abcon Group of Companies. Chris completed his studies in accounting at the University of Stellenbosch in 2010 and qualified as a CA(SA) in 2013.

Luke Sparks
Born: 1986

Non-Executive Director
Appointed to the Board on 15 September 2022 (as alternate to Chris Neser)
CFA

Luke has over 14 years' experience in Investment Advisory, Asset and Fund Management covering international listed and private investments. He started his career in Private Client and Institutional portfolio management before joining Tadman (Pty) Ltd, the Investment Advisor to Tadvest Ltd in 2017. Luke fulfils the roles as Chief Investment Officer at Tadman and is involved in listed Fund management, Private Equity advisory and Corporate Finance solutions. He assists various management teams and Boards on a strategic and investment level. Luke completed his studies with honours in Business Science at the University of Cape Town in 2008 and has been a CFA Charterholder since 2011.

Chris Buckenham
Born: 1971

Chief Financial Officer
Appointed 11 May 2023
FCCA

Chris trained and qualified as a UK chartered certified accountant in 1996 and registered auditor in 1998, working in a local accountancy practice where he became Partner. He specialised as a Lead Advisor with Grant Thornton's corporate finance team in 2000, focused on SME's and traditional industries, providing strategic advice, working with management teams alongside financial institutions and professional advisors on a range of successful M&A transactions spanning market sectors before leaving the profession in 2005 to focus on a career in industry. Prior to joining the Alaris Group in May 2023, he held positions including Finance Director, CFO, Co Sec, and Trustee across both privately owned and listed entities within manufacturing/engineering and SAAS/software businesses across market sectors including decorative corrugated print and packaging/POS; automotive design/ niche vehicle build /composite materials; electro-mechanical engineering, and geospatial software.

GOVERNANCE FRAMEWORK

Corporate Governance Report

Governance framework Introduction

The Board continued to support the principles and recommended practices contained in King IV™, which are fundamental to good governance.

The recommended corporate governance structures and practices are pivotal to delivering sustainable value in the interest of all Alaris's stakeholders. It is for this reason that our corporate governance practises and structures gets reviewed on a regular basis. The board believes in the importance of effective governance as a vital component and contributor to the group's sustainability.

The board and the chief executive officer (CEO), supported by the executive team, remained responsible for upholding good corporate governance. Leading by example, the board ensures that a culture of robust governance filters through the organisation.

This report aims to provide Alaris' stakeholders with an understanding of Alaris' governance structures and processes to enable them to evaluate the ability of the Company to create and sustain value.

The Board is of the opinion that, during financial year 2023, Alaris complied with the Companies Act No 71 of 2008, as amended from time to time, he recommended practice of King IV™, as applicable, and with its Memorandum of Incorporation (MOI) and constitutional documents.

The Board is elected by shareholders and accepts overall accountability for the Group's performance, and in ensuring that the business is adequately positioned to create sustainable value over the long term for all stakeholders, taking into account the material issues, risks and opportunities of the Group.

The Board confirms that the Group has in all material aspects applied King IV. A report on the Group's application of the principles is presented on the website: www.alaris.tech.

Board composition

A key aspect of Alaris' governance philosophy is a clear separation of responsibilities at board level to ensure an appropriate balance of power and authority and no individual director has unfettered powers of decision-making. The Board consists of four non-executive directors, two executive directors and one alternate director. Two of the non-executive directors are independent, with the majority of the Board being composed of independent non-executive directors. The Board is satisfied that it has the appropriate mix of knowledge, skills, experience, diversity, and independence to objectively discharge its governance role and responsibilities.

The non-executive directors further have the necessary skills and varied experience to bring independent and balanced judgement to the group's business.

All directors have a fiduciary duty to exercise due care and skill in carrying out their mandate as directors of the company.

The Board is chaired by Coen Bester, an independent non-executive director. The implementation of the strategy and the ongoing management of the business is delegated to Juergen Dresel, the Chief Executive Officer. The Chairman is principally responsible for the effective operation of the Board. There is a clear division of authority between the various roles within the Company's corporate governance structure. The responsibilities of the Chairman and the Chief Executive Officer are clearly defined and separate. The Chairman of the Board's role is documented in the Board Charter.

Members of the Board and changes during the period of review (FY23) were as follows:

Director	Status	Independent	Appointed	Resigned
Non-Executive Directors				
C Bester	Non-Executive Director and Chair	X	21 January 2004	
R Willis	Lead Non-Executive Director		1 February 2015	
C van der Merwe	Non-Executive Director	X	1 June 2018	
P Anania	*Non-Executive Director*	X	*1 November 2018*	*1 December 2022*
C Neser*	Non-Executive Director		20 December 2019	
Executive Directors				
J Dresel	Executive Director / CEO		21 February 2000	
G Heyman	Executive Director		1 June 2015	
E Müller	*Financial Director / CFO*		*1 July 2019*	*3 May 2023*
Alternate Director				
*L Sparks**	Non-Executive Director		15 September 2022	

**Luke Sparks is Alternate Director for C Neser.*

CJ Buckenham holds office as Group CFO and attends board meetings as a Prescribed (Executive) Officer, following appointment on 11 May 2023. He was appointed Director of Alaris Investment Holdings UK Ltd on 30 June 2023, a Group subsidiary.

The age, tenure, experience, and expertise of board members is set out on pages 17 to 18 of the Integrated Report.

Appointments to the Board are formal and transparent and are a matter for the Board of Directors, assisted by the Nomination Committee. The procedure in this regard is governed by the Nomination Committee's terms of reference. All recommended Director appointments are subject to background and reference checks.

Directors are appointed subject to re-election by the shareholders at the Company's Annual General Meeting and subject to the Companies Act provisions relating to their removal. There is a clear balance of power and division of responsibilities and authority at Board level to ensure that no individual director has unfettered powers of decision-making or influence over the Board.

The Non-Executive Directors have no fixed terms of appointment as they are subject to reappointment by shareholders every three years. One third of the non-executive Board members are required to retire by rotation every year and, if eligible, are considered for re-appointment at the Annual General Meeting.

Each director brings to the Board a wide range of expertise, knowledge, qualifications, and experience that allow them to exercise independent judgment in the Board deliberations and decision-making processes. Directors receive regular briefings on changes in risks and laws which impact the Group, as well as changes to the business and operational environments.

The Board Charter documents the role and responsibilities of the lead independent non-executive director in relation to those of the Chairman of the Board.

The Board has adopted a Diversity Policy, which promotes the broader diversity aspects of amongst others, gender, race, culture, field of knowledge, experience, skills and age.

Roles and responsibilities

Alaris has a unitary board, which is ultimately responsible for ensuring the Group's overall success. The Board is committed to ensuring Alaris implements the highest standards of corporate governance to enhance its ability to create and protect stakeholder value over time. As the custodian of corporate governance, the Board exercises independent judgement and objectivity in decision-making, considering the Company's best interests and those of its stakeholders. Directors exercise the business judgement rule and act honestly, reasonably and in good faith, to provide constructive and robust challenges to proposals and decisions.

Alaris' Board and sub-committee structure is designed to provide oversight of the Group's most material issues, while empowering management to execute and deliver against the Group's strategy.

The Board is responsible for directing, governing, and effectively controlling the Company. Board members have a fiduciary duty to Alaris and are accountable for the Company's performance. They also owe a duty of care and diligence to the Company and, consequently its stakeholders. The Board Charter affirms the Board's role, powers, and responsibilities and those of its sub-committees. It is based on sound corporate governance principles, international best practice and applicable laws and regulations. The Board annually reviews and approves its charter.

The Board's role and responsibilities mainly include the following:

- Ensuring that the Company's short-, medium- and long-term strategy, as developed by management, is reviewed and approved.
- Providing oversight of performance against targets and objectives.
- Providing effective leadership based on an ethical foundation.
- Overseeing key performance and risk areas.
- Ensuring effective risk management and internal control.
- Overseeing IT governance.
- Overseeing legislative, regulatory and governance compliance.
- Ensuring appropriate remuneration policies and practices.
- Overseeing relationships with stakeholders of the company along sound governance principles.
- Ensuring that the Company is playing its role as responsible corporate citizen.

During the period under review, the Board conducted an annual review of the delegation of authority framework. The framework governs the decision-making authority and defines matters reserved for Board determination, delegated to management, reserved for specific roles in Alaris, and financial decision-making and approval limits. The Board is satisfied that the delegation of authority contributes to role clarity and the effective exercise of responsibilities.

Directors are entitled to seek independent professional advice at the Company's expense, as and when required, in fulfilling their duties. No directors exercised this right during the period under review.

INDEPENDENCE

The Independent Non-Executive Directors are highly experienced and have the skills, background, and knowledge to fulfil their responsibilities. All directors have a duty to act with independence of mind in the best interests of the Company. The Board believes that the Independent Non-Executive Directors are of the appropriate calibre, diversity, and number for their views to carry significant weight in the Board's deliberations and decisions. The classification of Independent Non-executive Directors is determined by the Board on the recommendation of the Nomination Committee. In determining the independence of the Independent Non-Executive Directors, and with due regard to the criteria for determining independence as set out in King IV, character and judgment are considered, together with any of their relationships or circumstances which are likely to affect, or could appear to affect, their judgment. Any term in office by an Independent Non-Executive Director exceeding a period of nine years is subject to a rigorous review by the Nomination Committee and the Board. The Board remained satisfied that Coen Bester, Richard Willis and Carel van der Merwe remained Independent Non-Executive Directors.

BOARD EVALUATION

All directors participate in the bi-annual evaluation of the Board's performance. The process also includes an assessment of the performance of the Company Secretary and the individual directors. The previous assessment was conducted during the 2021 financial year and the board again conducted a performance evaluation during the 2023 financial year, which evaluation concluded that the Board was satisfied with its overall functioning and governance. In line with the recommended practices of King IV, the next evaluation is scheduled for FY24.

ALARIS' CORPORATE GOVERNANCE FRAMEWORK

Board

Audit and Risk Committee	Social and Ethics Committee	Nomination Committee	Remuneration Committee	Technical Committee

The Board is supported by the Audit & Risk, Remuneration, Social & Ethics and Nomination Committees. Due to the nature of the business, ALH instituted a Technical Committee. The purpose of the committee is to drive the combined technical and innovation strategy of the Group forward, to ensure innovation across the subsidiaries according to technological trends and customer requirements and to foster cross-subsidiary alignment and efficiency.

The Board sub-committees are constituted as recommended by King IV and the Companies Act as applicable. All statutory committees are chaired by independent non-executive directors. The Board's delegation of authority to these committees contributes to role clarity and the effective exercise of authority and responsibilities within the broader Group. The role and responsibilities of each committee are set out in each of the Committees' terms of reference. These terms of references are reviewed annually to ensure that the committee mandates remain current and effective and that the requirements of King IV are met. Each committee considers its effectiveness by way of a review of its activities against the approved terms of reference in line with their delegated powers and authority. The directors confirm that the committees have functioned in accordance with these terms of reference during the year.

Members of the executive management are invited to attend committee meetings either by standing invitation or on an ad hoc basis to provide pertinent information and insights in their areas of responsibility. Members of the Board are entitled to attend committee meetings as observers, however, these directors are not entitled to participate without the consent of the chairman of the committee; do not have a vote; and are not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and shareholders.

The Board recognises that delegating authority does not reduce the directors' responsibility to discharge their statutory and common-law fiduciary duties. The governance structures are regularly reviewed to ensure that they effectively support the Board in decision-making, establish a corporate culture and are aligned to evolving best practice.

OUR BOARD SUB-COMMITTEE CONSTITUTION AT 30 JUNE 2023

	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	Nomination Committee	Technical Committee
CP Bester	-	member	-	Chair	member
RC Willis	Chair	-	Chair	member	-
C Neser *	-	member	-	member	-
Cl van der Merwe	member	Chair	member	-	Chair
L Sparks * – *appointed 23 March 2023*	member	-	-	-	-
J Dresel	invitee	invitee	invitee	invitee	invitee
G Heyman	-	invitee	invitee	-	invitee
CJ Buckenham	invitee	invitee	invitee	invitee	invitee
R Ramnath	-	-	member	-	-
CAW Vale	n/a	n/a	n/a	n/a	member

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Board meets at least quarterly with additional meetings convened when necessary. Board and committee meetings during the year are set out below:

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Social and Ethics Committee	Technical Committee
CP Bester	5/5	-	3/3	2/2	-	2/2
RC Willis	5/5	4/4	-	2/2	2/2	-
C Neser*	4/4	4/4 (invitee)	3/3	2/2	-	-
C van der Merwe	5/5	4/4	3/3	-	2/2	2/2
P Anania - *Resigned 1 December 2023*	1/1	1/1	-	-	-	-
L Sparks*	n/a*	1/1	n/a*	n/a*	-	-
J Dresel	5/5	4/4 (invitee)	3/3 (invitee)	2/2 (invitee)	2/2 (invitee)	2/2
GT Heyman	5/5	-	3/3 (invitee)	-	2/2 (invitee)	2/2
E Müller *(Resigned 3 May 23)*	4/5	3/4 (invitee)	2/3 (invitee)	2/2 (invitee)	-	2/2
R Ramnath	-	-	-	-	2/2	-
CJ Buckenham - *Appointed 11 May 23*	1/1	1/1	1/1	-	1/1	-
R Ramnath	-	-	-	-	2/2	-
External Auditors	-	4/4	-	-	-	-
Company Secretary	5/5	4/4	3/3	2/2	2/2	2/2

* *Luke Sparks - alternate to C Neser / appointed member of the Audit and Risk Committee.*

NON-EXECUTIVE DIRECTORS AND TERMS OF APPOINTMENT

The non-executive directors are not involved in the day-to-day business of the Company nor are they full-time salaried employees of the Company and/or any of its subsidiaries. All non-executive directors' appointments are formalised through letters of appointment. The non-executive directors enjoy no benefits from the Group for their services as directors, other than their fees and potential capital gains and dividends on their interests in ordinary shares.

In terms of paragraph 24.7 of the Company's Memorandum of Incorporation, a third of the non-executive directors are subject to retiring by rotation on an annual basis. This enables shareholders to hold directors accountable and to appoint directors to the Board who shareholders believe will ensure long-term sustainable value creation for all stakeholders.

The directors to retire at the upcoming Annual General Meeting are Richard Willis and Carel van der Merwe. The Board was satisfied with the recommendation of the Nomination Committee to recommend their re-election after being satisfied with past performance and experience. They have made themselves available for re-election at the Annual General Meeting to be held on Thursday, 30 November 2023. Biographies are available on pages 17 and 18 of this report.

EXECUTIVE DIRECTORS

The CEO's performance is evaluated annually by the Chairman of the Board. During the FY23, a 360º approach to the CEO's performance evaluation was adopted. The next review was scheduled for September 2023.

The executive directors are individually mandated and are held accountable for:

- the implementation of the strategies and key policies determined by the Board;
- managing and monitoring the business and affairs of the Company in accordance with approved business plans and budgets;
- prioritising the allocation of capital and other resources; and
- establishing the best management and operating practices.

CHIEF EXECUTIVE OFFICER AND DELEGATION OF AUTHORITY

The CEO is tasked with the running of the business and the implementation of policies and strategies approved and adopted by the Board.

The Board has delegated certain of its functions to its committees and other functions have been delegated via the CEO to the Group's executive management. In the delegation of responsibilities, the CEO confers authority on management and is accountable for doing so. The board charter distinguishes between those matters that are reserved only for the Board and those that are to be delegated to management via the CEO. The committees' terms of reference set out delegation to the committees.

The Board is satisfied that the delegation of authority framework, which monitors levels of authority within the Group with regards to human resources, capital expenditure, procurement and contracts, contributes to role clarity and the effective exercise of authority and responsibilities.

ALARIS ETHICAL CODE

The Alaris Group has an established an ethical code, which outlines and reinforces Alaris' set of values and ethical behaviour for every employee. All employees, executive officers, and members of the Board of Directors, agents, consultants, contract labourers or any other persons involved with rendering a service on behalf of the Company are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner, which in all circumstances are above reproach.

The Social and Ethics Committee, mandated by the Board, is accountable for cultivating ethics within the Group. The Company's management is responsible for implementation of the Ethical Code and reporting any material breaches to the Social and Ethics Committee.

TRANSFER SECRETARIES / REGISTRAR

Computershare Investor Services Proprietary Limited remained the Transfer Secretary of the Company. Shareholders may address shareholding related queries to: PO Box 61051, Marshalltown, 2107.

ANALYSIS OF SHAREHOLDING

The shareholders analysis report can be found on page 35 of the Integrated Annual Report.

COMPANY SECRETARY

Fusion Corporate Secretarial Services Proprietary Limited ("Fusion") remained the Company Secretary of the Company during the period under review. The Company Secretary is not a director of Alaris and maintains an arm's length relationship with the Board.

The Company Secretary assists the Board to fulfil its functions and is empowered by the Board to perform its duties. To manage the Board process, the Company Secretary, directly or indirectly amongst others.

- Assists with director orientation, ongoing development and education
- Makes directors aware of any law or amendments to any law relevant to the Group
- Provides the Board with guidance on the discharge of director duties, responsibilities, and powers
- Assists the Chair to coordinate and administer the operation of the Board
- Provides guidance on the Company's compliance with all statutory and regulatory requirements and with the Company's Memorandum of Incorporation
- Provides the Board with a central source of guidance and assistance
- Acts as secretary for all Board committees Directors have unlimited access to the Company Secretary's advice and services. Available channels of communication include personal interaction, electronic communication and Board and committee meetings.

The Board believes that the corporate governance services are effective. Based on the outcome of the Board's annual formal assessment of the Company Secretary, the Board confirms that the Company Secretary has the qualifications, competence, and expertise necessary for the role.

The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 43 of this Integrated Annual Report.

GROUP EXECUTIVE COMMITTEE AT 30 JUNE 2023

Members of the Group Executive Committee	
J Dresel	Group CEO
CJ Buckenham	Group CFO
C Vale	Group CTO
GT Heyman	Managing Director – Alaris Antennas
S Lentonen	Managing Director – Alaris COJOT
J Detert	Managing Director – Alaris mWAVE
I Duke	Managing director – Alaris Linwave
G Wenhold	Managing director – Alaris Kuhne

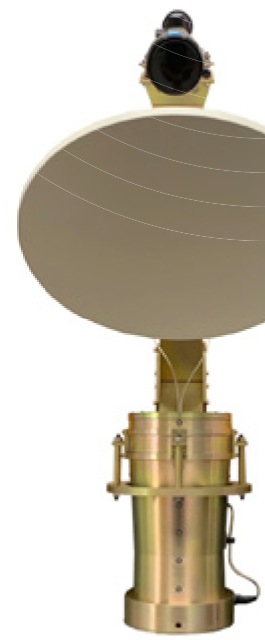
The responsibilities of the Group Executive Committee include:

- monitoring and managing risk;
- developing and implementing the Group's strategic plan;
- developing human resources policies and practices;
- developing budgets and monitoring expenditure;
- monitoring operational performance against agreed targets; and
- adhering to financial and capital management policies.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee, a statutory committee in terms of section 94 of the Companies Act, operated in terms of its board approved Terms of Reference.

For more details on the Audit and Risk Committee's responsibilities and powers, we refer you to the Audit and Risk Committee's report available on pages 38 to 40 of this report.



REMUNERATION COMMITTEE REPORT

The Remuneration Committee (the "Committee") has pleasure in submitting its report for the year ended 30 June 2023 (FY23) to shareholders.

COMMITTEE MANDATE, COMPOSITION AND GOVERNANCE

The Committee operates in terms of its board-approved terms of reference, which is reviewed annually.

- Ensure that Alaris establish and observe remuneration policies and practices that attract and retain individuals able to create enduring and sustainable value
- Assist the Board in discharging its oversight responsibilities relating to all compensation matters, including implementation of all relevant employee compensation policies, proposing measures for the STI and LTI schemes, reviewing all components of remuneration, ensuring compliance with King IVTM and alignment with market best practices

In carrying out its mandate, the Committee has unrestricted access to all the activities, records, property, and employees of the company. In addition, the committee may access external legal or other independent professional advice to execute its responsibilities as detailed in its terms of reference.

The Committee consists of three non-executive directors, two of whom are independent. The members of the Committee as at year-end are:

- Carel van der Merwe (independent non-executive director/chair)
- Coen Bester (independent non-executive director/member)
- Chris Neser / L Sparks (non-executive director/member).

The qualifications of members and the details of the Committee meetings attended by each of the members are set out on pages 17 to 18 of this Integrated Annual Report. In accordance with its terms of reference, the Committee met twice during the period under review.

The chief executive officer, finance director and executive director attend meetings by standing invitation to make proposals and provide such information as the Committee may require. The executives are recused from participating and voting at Committee meetings where their remuneration is discussed. The Chair of the Committee provides the Board with reports after each meeting of the Committee.

The Committee commenced a self-assessment evaluation during FY23 to measure its effectiveness and performance during the reporting period which will conclude later in the calendar year. Any areas for improvement identified as part of the self-evaluation will be addressed by the Committee during FY24. The next self-assessment is scheduled for FY25.

ROLE AND RESPONSIBILITIES

The primary responsibilities of the Committee include:

- ensuring the remuneration policy is aligned to and promotes the achievement of the Group's strategic objectives and encourages individual performance;
- ensuring the critical elements of the remuneration policy, including annual guaranteed pay, and incentives, are appropriately benchmarked to ensure the Group is competitive in the employment market;
- reviewing and approving the performance evaluation of the chief executive officer against agreed deliverables and key performance indicators ("KPIs");
- reviewing incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules; and
- reviewing the remuneration of non-executive directors and recommending adjustments to the fees at the Annual General Meeting.
- reviewing incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules.
- reviewing the remuneration of non-executive directors and recommending adjustments to the fees at the Annual General Meeting.

ACTIVITIES OF THE COMMITTEE

During the period under review, the Committee oversaw the following actions:

- Reviewed Group-wide remuneration policies in line with best practice and governance standards, including key management bonuses and incentive schemes.
- An extensive benchmarking project was conducted during the year in support of the remuneration policies which resulted in changes to the STiP structure. These were affected in the financial year and applied for FY23. These changes the Committee believe ensure alignment with all stakeholders. The key changes to the scheme were:

reduction in the maximum bonus awards from a factor of 12 to 4 months' salary for existing members and 3 months for new members, plus a discretionary element of up to 50% (ie maximum of 6 months). Withdrawal of deferred payment terms for the upper achievement levels, with the removal of the upper-level awards.

- Completing an annual review and update to the Committee's terms of reference and workplan.
- Developing and conducting a two-phased approach to the 360° review of the Chief Executive Officer's performance.
- Allocation of share options in terms of the Company's Long-Term Incentive Plan.
- Considered, in conjunction with the Nomination Committee, the Group's succession planning in relation to staff movements across the Group.
- Approving salary increases and adjustments for executive directors, executives, and senior management.
- Monitoring progress on bargaining unit wage negotiations.

The Committee has considered the impact of King IV™ on the remuneration policy and present this report in three parts:

- Part 1 consists of the background statement, the remuneration philosophy and the context of the decisions and considerations taken during the reporting year which influenced the remuneration outcomes.
- Part 2 contains Alaris' forward-looking remuneration policy.
- Part 3 illustrates the implementation of the remuneration policy over the past financial year.

PART 1

Remuneration philosophy

Alaris' remuneration strategy aims to create sustainable shareholder value by motivating and retaining competent leaders and talent. We aim to attract knowledgeable staff to allow the Group to achieve its strategic goals. It is imperative for the Group to attract top-class talent to grow the intellectual property value of the Group and to develop new ideas. Primary objectives include the need to have credible remuneration policies that enhance key business goals, address needs across the different cultures and drive performance.

The Committee assists the Board by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding, and retaining key personnel through competitive remuneration practices, while creating shareholder value. In determining remuneration, the Committee considers the financial performance of the company, operational requirements, and future plans of the company, as well as shareholders' interests.

Remuneration packages are reviewed annually and are monitored and compared with reported figures for similar positions to ensure they are fair and sensible. Differentials in pay are measured against industry benchmarks on an annual basis, taking job profiling and grading into account.

Voting results and shareholders' engagement

Shareholder engagement is a crucial part of Alaris' stakeholder engagement. Therefore, the Committee's terms of reference specify the adequately disclosure of information to stakeholders to facilitate constructive engagement with all relevant stakeholders, including shareholders.

PART 2: OVERVIEW OF REMUNERATION POLICY

Non-executive directors

The Board, through the Nomination Committee, proposes the re-election of non-executive directors to shareholders. In terms of the Company's Memorandum of Incorporation, one third of non-executive directors are required to retire by rotation at each Annual General Meeting of the Company.

Non-executive director remuneration is based on a fixed-fee structure not related to meeting attendance. The chairman of the board is paid a retainer and receives no further payment for committee membership. Board members receive a retainer for board membership and for each board committee on which they serve. An hourly rate of R2 500 per hour for services of non-executive directors in excess of their attendance at regular Board and Committee meetings, is payable with pre-approval at the Board's discretion.

Non-executive directors do not qualify for any incentives in terms of the STIP and LTIP. Non-executive directors are reimbursed for their direct and/or indirect expenses reasonably and properly incurred in the performance of their duties. Non-executive directors who, in terms of tax requirements, supply a tax invoice with VAT, receive their approved non-executive director fees accordingly.

The non-executive directors' remuneration is reviewed annually and recommended for approval by shareholders. Remuneration is not linked to the Company's share price.

Details of the directors' remuneration are set out in note 27 of the financial statements. The proposed FY23 non-executive director fees will be tabled for approval by shareholders (in terms of the Companies Act) at the Annual General Meeting to be held on 30 November 2023. Refer to special resolution number 2 in the notice of the Annual General Meeting.

Executive directors

In remunerating executives, the Group aims to motivate and retain competent and committed leaders in its drive to create sustainable shareholder value. Remuneration is linked to key performance indicators and a portion of the remuneration is not guarantee.

Alaris structures packages on a total cost-to-company basis. The salary structures of the staff can consist of up to three components:

1. **Monthly, guaranteed, market related basic salaries**

   The Group operates an employee benefit scheme which offers pension fund, death in service cover and in certain jurisdictions disability and medical aid benefits.

2. **Short-term (annual) incentive plan (STIP)**

   Bonus

   Certain staff qualify for individual and/or team annual performance incentives. The plan seeks to have a set of value drivers which funds a total STIP pool such that it aligns with stakeholder value creation and a set of drivers which distributes the pools such that it aligns with employee engagement and performance.

   Commission

   Sales staff are eligible to receive a variable commission portion based on sales invoiced.

3. **Long-term incentive plan (LTIP)**

   Key executives and senior staff members are nominated by the executive management and approved at the discretion of the board to participate in the long-term incentive scheme with the objective to retain such employees and to align with stakeholder value creation.

The pay mix of the participants is as per the below:

	On Achieving Target performance			Maximum		
Roles	Salary	STIP	LTIP [1]	Salary	STIP[2]	LTIP [1]
Group Executive Directors and MD's	100%	Up to 33.33% (4 months)	Up to 100% (12 months)	100%	Up to 50% (6 months)	Up to 100% (12 months)

1. LTIP is assessed after three years depending on performance vesting criteria.
2. By discretion of the Remuneration Committee

Short-term (annual) incentive scheme (STIP)

The incentive scheme allows for a bonus based on a scale against which growth performance is measured. The target normalised earnings per share for the year and the corresponding scale is considered and approved by the Remuneration Committee on an annual basis, for each subsidiary and for the Group respectively. 30% of the bonus for each participant is based on personal key performance indicators that are agreed annually by the relevant line manager and assessed at the managers discretion. Awards are pro-rata to the tenure of the Executive during the period.

An overperformance bonus is applicable if the hurdle rate of growth in normalised earnings per share is exceeded. In such a case an overperformance pool is created in which participants will share a percentage of the overperformance profits. The bonus pool is created from a level below the target for the year, typically budget as approved by the Board, to ensure there is a pool available to reward individual performance even if the business does not reach target.

Long-term incentive plans (LTIP) – share incentive scheme

A share incentive scheme for key executives and senior staff members was approved by the board in 2015 to incentivise individuals on a share-based plan. The key executives and senior staff members are those involved in creating shareholder value. The intention was to promote the effective participation in the Group of key employees to retain such employees and to align with stakeholder value creation. The current share-based incentive scheme (LTiP) was implemented in 2018 with the following in mind:

1. The accounting treatment of equity settled incentive schemes with market conditions, in accordance with IFRS 2, does not always align the actual benefit the employee obtains with the cost incurred by the company. I.e., when the strike price of the option is higher than the market value, the option is under water and has no value and therefore the employee will in all likelihood not exercise the option, however, the company will not show the benefit of not incurring this cost in the profits, since the share-based equity reserve remains in equity and does not recycle into the profits of the Company.
2. The objective of the scheme to support the retention of key staff was not achieved in the previous scheme. Even though profits were generated year on year, the share price was not representative of the growth and profitability resulting in issued options being under water.

The 2015 scheme was settled and unwound as part of the delisting process in 2022. The Share Incentive Trust which was founded to assist operation of the original scheme is now defunct and subject to winding up proceedings, this is expected to complete in FY24 with remaining assets transferred to Alaris Holdings Ltd as beneficiary.

Current LTiP - nil-cost share-based long-term incentive plan

The current long-term incentive plan was effective from 1 July 2018, and is based on the following principles:

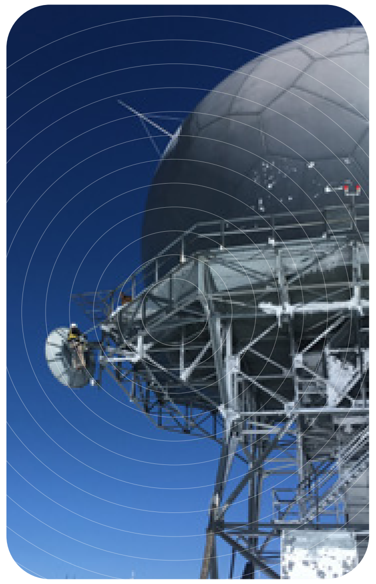
- Annual LTIP awards will be subject to a combination of performance and time vesting conditions;
- An annual allocation of nil cost options will be made, calculated as a factor of annual salary;
- The options will carry a nil strike price with the number of share options determined based on share price on the date of issue;
- The full amount of options is allocated on day one, but performance vesting criteria will determine after 3 years how many options actually vest;
- The options will vest after three years, if the participant is still employed and to the extent that the following performance vesting criteria are met:
  - Metric: 3-year cumulative growth in normalised earnings per share from year-end preceding the award to the year-end preceding vesting
  - The options will vest in full if the normalised earnings per share increase by the target set by the Board.
  - No options will vest if the normalised earnings per share did not increase over the period by at least a cumulative minimum threshold, typically the average South African inflation rate over the period.

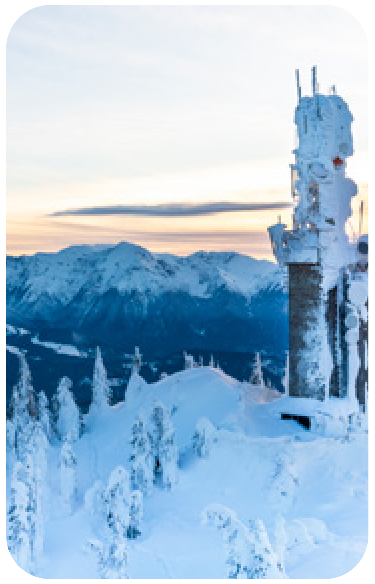
Executive management use their discretion to nominate relevant key staff members for consideration. Pre-approval is at the Group CEO's discretion and final approval at the Remuneration committee if within approved maximum thresholds, as defined by the nil-cost share-based long-term incentive plan.

The Board approves the annual allocation of the nil-cost share options, at its discretion, on the recommendation of the Committee and based on the below guidelines:

Roles	LTIP Fair Value of Award (Max Value) 100% vesting
Group Executive Directors and MD's	Up to 100%* x Salary

(* up to 50% for new scheme members from 2023)





Part 3: Implementation report

This part of the report provides insight into the implementation of Alaris' remuneration policy during the year ended 30 June 2023.

Directors' remuneration: Executive Directors

The remuneration of executive directors comprises base salaries, benefits, short-term and long-term incentives, which includes share-based incentives. Executive directors do not receive directors' fees.

Refer to note 27 of the financial statements for the detailed disclosure of remuneration paid to executive directors.

Short-term incentive

As noted in part 2 of this report, the incentive scheme allows for a bonus based on a scale against which growth performance is measured.

The bonus applicable to each managing director is structured to both incentivise the subsidiary performance but also participation in the overall Group's performance with:

- 80% of bonus is based on the subsidiary's performance and 20% based on the Group's performance.

The Group exceeded the STiP target for the year unlocking the 20% group bonus for all MD participants. Aside from Alaris Kuhne, all subsidiaries exceeded the minimum threshold targets with Alaris Cojot achieving the maximum threshold.

Long-term incentive

During the financial year 2022 no options vested, and none were exercised in FY23. Options vesting on 30 September 2023 achieve the vesting criteria for exercise in FY24. New share options, with a vesting date of 30 September 2025, were granted as per the remuneration policy to certain employees in November 2022. Refer to note 14 of the consolidated financial statements for detail of the movement in authorised and issued ordinary share capital and refer to note 15 for more detail on the share option scheme.

In line with the scheme rules, the vesting of a number of share options accelerated as part of the delisting process. These options were exercised by the relevant employees during this prior financial year at the time that the delisting process was concluded.

For the financial year, non-executive director fees were as follows (excluding VAT), rates as approved at the 2022 AGM:

Non-executive	Compensation R'000	Director's fees in subsidiary R'000	Total R'000
CP Bester	360	–	360
RC Willis	248	–	248
CP van der Merwe	232	140	372
CB Neser	128	–	128
P Anania	136	–	136
	1 104	**140**	**1 244**

Directors' shareholding in the ordinary share capital of the Company

The directors, as at 30 June 2023, direct and indirect shareholdings represent 59.25% (2022: 59.03%) of the voting shares of the Company.

Changes in directors' and their associates' shareholding subsequent to the reporting date

The Committee and the board are not aware of any changes in the directors and their associates' shareholding subsequent to the report date.

IN CLOSING

I confirm that the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. As Chair of the Committee, I will be present at the upcoming Annual General Meeting to answer any questions regarding the activities of the Committee.

Carel van der Merwe
Chair of the Remuneration Committee

12 October 2023

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the "Committee") of Alaris Holdings Limited ("Alaris" or the "Company") is a statutory committee which assists the board of directors (the "Board") in monitoring the group's ethics, sustainability, and corporate citizenship.

Alaris values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Company's employees as well its other representatives remain key to maintaining these standards. To this end, and in accordance with section 72(4) of the Companies Act (No. 71 of 2008), as amended ("the Companies Act"), section 43(2) and (5) of the Companies Regulations and the King Report on Corporate Governance 2016 ("King IV"), the Board established the Committee to consider and monitor the ethical conscience of Alaris.

This report is presented in accordance with the requirements of the Companies Act and forms part of the Integrated Annual Report. Any specific questions to the Committee on matters within its mandate, may be sent to the Company Secretary prior to the Annual General Meeting at melinda@fusioncorp.co.za and / or monica@fusioncorp.co.za .

COMPOSITION AND MEETING PROCEDURES

During the year ended 30 June 2023, the Committee comprised of three members, being Mr RC Willis (Non-executive Director), Mr CP van der Merwe (Independent Non-executive Director) and Ms R Ramnath (Director: Alaris Antennas (Pty) Ltd).

The Committee receives feedback from management and other committees and reports on any significant matters to the Board in terms of its mandate. The members of the Committee are nominated and appointed by the Board. The remaining Board members are encouraged to attend committee meetings as invitees, as and when deemed necessary. Permanent invitees at the Committee meetings are executive directors, Juergen Dresel and Gisela Heyman, and the company secretary, who acts as the secretary of the Committee.

The Committee held two meetings during the year under review and attendance at these meetings is shown on page 22.

The effectiveness of the Committee is assessed as part of the biannual Board and committee self-evaluation process. The Committee was satisfied with the outcome of its self-evaluation conducted during FY22 and the next review is scheduled for FY24.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee's role and responsibilities are governed by formal terms of reference as approved by the Board. The terms of reference are subject to an annual review by the Board. The responsibilities and functions of the Committee, which are aligned with the Committee's statutory functions as set out in the Companies Act, formed the basis of the work plan for FY23.

The Committee's main objectives are to assist the Board in monitoring the Group's performance in respect of responsible corporate citizenship, organisational ethics, sustainability, and sustainable development, as well as compliance and stakeholder relationships. This is done by inter alia monitoring the sustainable development practices of the Group, thereby assisting the Board in achieving its objectives of doing business sustainably and ethically.

The Committee is, amongst others, responsible for:

- Stakeholder relations – ensuring that all communications to stakeholders are transparent and appropriate.
- Labour and employment, including the relevant recommendations of the International Labour Organisation Protocol, the group's employment relationships and its contribution towards the educational development of its employees.
- Good corporate citizenship, including the promotion of equality, prevention of unfair discrimination, elimination of corruption, contribution to the development of communities, and recording of sponsorships, donations, and charitable giving.
- Social and economic development, including the principles of the United Nations Global Compact, the recommendations of the Organisation for Economic Co-operation and Development regarding corruption, the Employment Equity Act, No 55 of 1998 and the Broad-Based Black Economic Empowerment Act, No 53 of 2003.
- Subsidiaries' development and implementation of policies, guidelines, and practices congruent with the Group's social and ethics policies.
- Monitoring of any relevant legislation, other legal requirements, or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, employment equity, the environment, health and public safety, consumer relationships, as well as labour and employment.

The Committee is satisfied that it has fulfilled all its duties and responsibilities in accordance with its annual plan and its terms of reference, as further detailed below.

BBBEE AND EMPLOYMENT EQUITY

The Board recognises the moral, social and economic imperatives to embrace and support transformation in South Africa and to be a valuable participant in the South African economy and society. A transformed company in the South African context is not only one that has a workforce that is representative of the country's racial and gender demographics and that operates with a bias towards broad-based empowerment opportunities, but one that also embraces diversity. The Board continues to focus on transformation and remains intent on providing a workplace that encourages diversity. Transformation is considered in the context of broad-based black economic empowerment ("BBBEE") and is measured annually by an external verification agency against the QSE defence charter code. A central senior manager actively coordinates the Group's efforts and ensures that the subsidiaries are well educated on the various facets of transformation. During the year under review significant time and funds were invested in advancing the transformation plans that had been developed in previous years. The progress of these plans was reviewed at half year and appropriate and revised activities were agreed upon, where necessary. For Alaris, transformation is beyond the need for B-BBEE but is inclusive of transformation of the organisation's culture, ethics, and values.

Detailed consideration was given to each element of B-BBEE to identify the areas and initiatives to improve the Group's overall B-BBEE rating. A B-BBEE verification process was undertaken via its South African entity Alaris Antennas, in terms whereof Alaris Holdings Limited was classified as being B-BBEE Level 8 compliant for the year ended June 2022 and the assessment for 2023 is in progress. The Committee reviewed and reported to the Board on the Group's detailed BBBEE strategy, targets, and budget, as well as progress made aligned to the scorecard.

As is typical of any large corporation, employee turnover can gradually erode our people capital, however, our hiring, learning and development, and internal promotion processes more than offset this impact. We continue to focus on equity and diversity, notably with regard to gender across the group and BBBEE in our South African operations.

Alaris has been successful in providing equal employment opportunities and in promoting internal employees and is committed to driving employment equity goals and enhancing diversity across the Group. Alaris also supports empowering women in all its business units.

The Company has established its Employment Equity Committee, to amongst others, oversee the updating and implementation of the Group's Employment Equity Plan for the entities in the group where applicable. During the period under review, the Committee reviewed and reported to the Board on the group's employment equity performance relative to the group's Employment Equity Plan.

ALARIS ETHICAL CODE

All employees, executive officers, and members of the Board of Directors, agents, consultants, contract labourers or any other persons involved with rendering a service on behalf of the Company are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner, which in all circumstances are above reproach.

The Company's management is responsible for implementation of the Ethical Code and reporting any material breaches to the Committee.

WHISTLE-BLOWING AND ANTI-CORRUPTION AND BRIBERY

Alaris promotes a culture of openness and transparency within the Company and as such, employees and other stakeholders are encouraged to report unethical conduct and other transgressions that they may become aware of.

In this regard, Alaris provides an internal, anonymous whistle-blowing facility to its employees to report incidences of fraud or unethical behaviour relating to the Group. All reports from this hotline or from other whistle-blowing sources received during the year were logged and, where appropriate, reported to the relevant managers and the Committee.

The Committee is satisfied to report that during the period under review, there were no incidences reported through the whistle-blowing facility which required the attention of the Committee.

All executive directors of the Group and its subsidiaries are required to sign an anti-bribery declaration on an annual basis confirming that they are not aware of any circumstances which the Group participated in that would bring our ethics and values in dispute.

SOCIO-ECONOMIC DEVELOPMENT: COMMUNITY, SOCIAL AND ENVIRONMENTAL ISSUES

Corporate Social Investment

The past year saw the Group involved in several initiatives including a number of donations and contributions, for example a stationary drive was completed over December 2022 by Alaris Antennas. Delivery of the stationary to the homes were completed and school bags purchased would be delivered soonest to Aryan Benevolent, an orphanage in Lenasia. The total contribution amounted to R20 000.00 for 2023.

mWave provided assistance to the community through a food drive and Linwave supported Macmillan cancer support with a donation of funds.

Although the Company locally participates in BBB-EE initiatives, a uniformed Group Policy on appropriate BBB-EE spending would be considered. This Policy would include quantum of spending and focus on ESG going forward.

Health, Safety and Environment

The Group continues to make progress with persistent focus on its health, safety, and environment activities. Following the implementation of the Environmental Management Plan within Alaris Antennas, compliance with the Reach and RoHS requirements has been achieved annually for a number of years to date, including FY23. The Committee continues to monitor the Environmental Management Plan to ensure that compliance with the Reach and RoHS requirements is retained.

The Committee receives regular updates on the group's safety and health initiatives through reports by the health and safety officer and the Health and Safety Committee. There were no occupational injuries or deaths reported during the period under review. The Committee will continue monitoring the Group's compliance to the Occupational Health and Safety Act ("OHSA") and those regulations of the countries within which the Group operates.

STAKEHOLDER RELATIONS

The Group remains committed to transparent and fair business practices in all its dealings with stakeholders, shareholders, and related business partners.

The Group communicates with shareholders, investors, analysts and regulators on a constant basis and public presentations are held when needed. Alaris believes that such communication is essential and endeavours to keep an open-door policy with relevant stakeholders.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Improve the group's BBBEE rating to a level 7 by addressing the various pillars in line with our approved strategy.
- Improve awareness among employees with regards to the Protection of Personal Information Act ("POPIA")
- Focus on training opportunities and bursaries for employees.

CONCLUSION

Alaris remains committed to identifying additional strategies to create value and contribute positively to the communities within which it operates. The Committee is satisfied to report that during FY23, there have been no instances of material non-compliance with legislation or non-adherence to codes of best practice that fall within the Committee's mandate.

As chair of this Committee, I will be present at the forthcoming Annual General Meeting to answer any questions regarding the statutory obligations of the Committee.

Signed on behalf of the Social and Ethics Committee by:

Richard Willis
Chair of the Social and Ethics Committee

12 October 2023

ETHICS AND VALUES

All employees of the Group are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner, which in all circumstances are above reproach. All executive directors of the Group and its subsidiaries are required to sign an anti-bribery declaration on an annual basis confirming that they are not aware of any circumstances which the Group participated in that would bring our ethics and values in dispute.

EMPLOYEES

Alaris' employment policies allow for individuals, including individuals from historically disadvantaged backgrounds, to apply for bursaries. Employees are encouraged to improve their personal qualifications and several previously disadvantaged employees are currently on study courses financed by Alaris. We also promote a healthy, secure, participative social and working environment for our staff and business associates. Feedback from the completion of an employee survey in the financial year was positive overall and the bottom responses on the survey assisted to identify areas that required improvement.

RISK MANAGEMENT REPORT

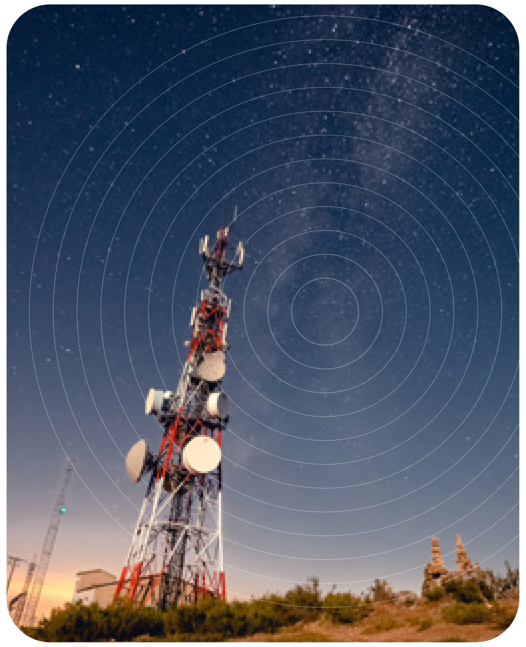
Our ability to deliver on Alaris' business strategy depends on us being able to take calculated risks in a manner that does not jeopardise the interests of our stakeholders. Alaris has established a culture of managing existing, emerging or unpredictable risks. Various embedded processes and structures are in place to address our risk management needs. We have adopted an enterprise-wide approach to risk management, with every identified material risk included in a structured and systematic process of risk management.

The Board is responsible for the governance of risk by ensuring that an appropriate system and process of risk management is implemented and maintained. The Board has appointed and is assisted by the Audit & Risk Committee, which operates in terms of a formal charter. Its duties and activities include considering the risk management policy and plan, reviewing the effectiveness of the risk management activities, identifying the key risks facing the Group and ensuring appropriate responses to address these key risks.

- Events that may lead to risks materialising are identified within the generic risk framework.
- Events are then assessed to quantify probability and potential financial impact on the business if they materialise.
- Preventative actions (probability) and contingent actions (impact) are identified to mitigate these, as well as critical action plans (to be managed at executive committee level).
- The overall assessment of risk is compared against the level of risk deemed acceptable by the Group.

The executive committee reports to the Audit and Risk Committee on overall risk processes, identified events and mitigation action plans. The Audit and Risk Committee, in turn, presents to the Board an overview of these potential risks, processes and critical actions.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.



SUSTAINABILITY

SOCIAL RESPONSIBILITY

The Group believes that each citizen has a responsibility towards society and the environment. The Group therefore encourages employee participation through involvement by either giving in time or by donating towards social development issues. This past year, a number of activities took place and are mentioned below.

"To be significant, all you have to do is make a difference with others wherever you are, with whatever you have, day by day." - John C. Maxwell

During FY23, a number of initiatives were coordinated by the Alaris subsidiaries to make a difference in their communities.

Towards the end of a calendar year, all are looking forward to a holiday, especially South Africans with the summer holidays lying ahead. However, the burden of stationery for the new academic year when the schools start again in January, remain heavy on the shoulders of so many and even more so for children in an orphanage.

In December 2022, as part of a Season of Sharing project, the Alaris Antennas team decided to address that concern and collect stationery, as well as board and educational games for Aryan, an orphanage in Lenasia (in the south of Johannesburg). The ages of the children vary from 5 to 18 years of age. Alaris Antennas employees opened their hearts and contributed significantly to the project. More than 40 stationery packs were packed and wrapped and individually labelled for each child. In addition, numerous board and educational games, as well as balls were donated to provide some fun during the holidays. Alaris Antennas also bought a school bag for each of the children at Aryan, which brought a lot of smiles.

The Linwave team has been involved in a number of projects to raise funding in support of various organisations in their community. One of the initiatives was a coffee morning at the office to raise money for Macmillan. Macmillan is one of the UK's largest charities providing specialist health care, information, and financial support to people affected by cancer.

mWAVE organised a Winter Food Drive that lasted the entire month of December 2022. The team was able to donate multiple bags and boxes of food, as well as a small monetary donation to the local Windham, Maine Food Pantry.

POLITICAL DONATIONS AND AFFILIATIONS

Alaris supports the democratic system worldwide, including in South Africa, and does not donate or contribute to individual political parties worldwide.

ASSURANCE

ASSURANCE

INTRODUCTION

In respect of the level of assurance on information included in the Integrated Annual Report and annual financial statements as set out below, the Audit and Risk committee ensures that a combined assurance model is applied to and provides a co-ordinated approach to all assurance activities. The level of assurance obtained in the Integrated Annual Report was approved by the Audit and Risk Committee and the Audit and Risk Committee will continue to evaluate the level of assurance obtained taking into account the factors and risks identified that may impact on the integrity of the Integrated Annual Report and regulatory requirements.

FINANCIAL INFORMATION

The consolidated financial statements were audited by the Group's external auditor, KPMG Inc.

Non-financial information: Sustainability

No assurance was obtained on our sustainability measures. The Audit and Risk Committee reviewed the disclosure of sustainability issues that may be commented on in the Integrated Annual Report to ensure that it is reliable and does not conflict with the financial information and concluded that no additional external assurance is required on material sustainability issues.

Non-financial information: B-BBEE

Alaris Holdings and its South African subsidiaries ("Alaris") support the promotion and implementation of a scorecard approach for achieving the objectives of B-BBEE. B-BBEE ideals also form an integral part of our employee recruitment and supplier selection processes. We believe that transformation is a business imperative and a catalyst for economic independence. Our heart and soul is African and we strive to create an inclusive and diverse employee culture that celebrates our unique differences and achieves gender balance, supported by our zero-tolerance approach to bias, harassment, discrimination and abuse. To promote gender equality in the workplace, we prioritise equal pay, support work-life balance, enable access for women to managerial positions and strive for gender balance across all levels and areas of the business – particularly in technical roles. However, female representation remains a challenge for our business and the broader defence sector.

The company firmly believes that investments in skills development and social initiatives will have a long-term positive impact on the South African economy and community. The employees of Alaris have also embarked on various social initiatives which aided the following beneficiaries: Aryan Benevolent Children's Home, an orphanage in Lenasia.

The Group's distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. Our culture is our strategic differentiator. As a culture driven organisation, our values and philosophies must underpin and inform people's conduct. We choose a flat structure as an organisational design, show deep respect for individuals and uphold an environment that encourages self-starters to drive their careers in line with the organisation's purpose and business strategies. This unique cultural proposition is inculcated via artefacts and practices that evidence both how we live in the organisation as well as what is required of employees.

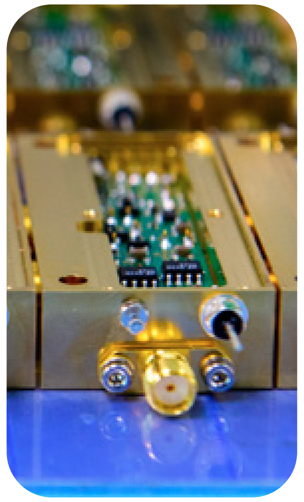
We at Alaris believe that transformation is not a future event but rather a present-day activity. Alaris has embarked on a transformation process over the past four years and have made some progress in certain aspects of the scorecard. Under the Department of Trade and Industry's revised Codes of Good Practice, the company has commenced with a project to re-assess our B-BBEE strategies to reach compliant status. For us, transformation extends beyond B-BBEE to include the transformation of culture, ethics, and values within the organisation.

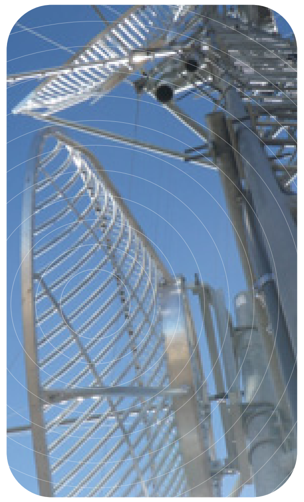
Alaris has been successful in providing equal employment opportunities and in promoting internal employees and is committed to driving employment equity goals and enhancing diversity across the Group. Alaris subscribes to the Employment Equity Act to ensure ongoing compliance and proactive implementation of regulations and plans. Open dialogue is encouraged between employees and management through our information sessions and committees.

Alaris is committed to promoting employees within the Group. Employees are the foundation of the Group's success, and the Group has a bursary program in place that encourages growth and further education. The employees in the Group are actively involved with the University of Cape Town (UCT) Get Smarter program, University of Wits, University of Stellenbosch, University of Lincoln and various other tertiary institutions.

Empowering women

Alaris inspires and supports empowering women groupwide as well as a diversified workplace. In order to attract and retain women with career advancement opportunities, we continue the promotion and development of women, and this continues to gain momentum in the Group.





SHAREHOLDER ANALYSIS

Shareholder spread

Directors and associates				2023		2022	
				Number of shares	%	Number of shares	%
Tadvest Limited	*	Associated Holding (CB Neser)	Indirect	56 748 859	44,74	56 748 859	44,58
Conexus Investment Fund	*	Associated Holding (R Willis)	Indirect	7 091 960	5,59	7 091 960	5,57
J Dresel	**	Executive Director	Direct	10 170 267	8,02	10 162 267	7,98
CP Bester	**	Non-Executive Director	Direct	50 000	0,04	100 000	0,08
Conexus Investment Fund (Pty) Ltd	*	Associated Holding (R Willis)	Indirect	100 000	0,08	50 000	0,04
GT Heyman	**	Executive Director	Direct	987 767	0,78	987 767	0,78
				75 148 853	**59,25**	**75 140 853**	**59,03**

Beneficial shareholders holding 5% or more			2023		2022	
			Number of shares	%	Number of shares	%
Tadvest Limited	*	Associated Holding (CB Neser)	56 748 859	44,74	56 748 859	44,58
Andries Petrus Cronje Fourie Trust	*	APC Fourie	14 204 879	11,20	14 204 879	11,16
THE MAS TRUST	*	JSV Joubert	12 000 000	9,46	12 000 000	9,43
J Dresel	**	Executive Director	10 170 267	8,02	10 162 267	7,98
Dr DC Nitch	**	Founder investor	9 628 796	7,59	9 628 796	7,56
Conexus Investment Fund	*	Associated Holding (R Willis)	7 091 960	5,59	7 091 960	5,57
			109 844 761	**86,60**	**109 836 761**	**86,28**

* Non-Beneficial
** Beneficial

DIRECTORS' INTERESTS IN SECURITIES

- No securities have been furnished by Alaris or its subsidiaries for the benefit of any director (other than above) or any other associate of any director.
- Share options have been allocated to certain directors of the Company under the rules of the share incentive scheme.
- Certain options were exercised by the below directors during the financial year. The Shares were transferred out of treasury shares held by the Share Trust to the individuals below. The remaining outstanding options as at 30 June 2023 are reflected below:

	Number of options (in issue from September 2021)		
	(Strike price nil subject to performance)	Total number of options still in issue	Options exercised and converted to shares during the year
J Dresel	3 433 567	3 433 567	Nil
GT Heyman	2 253 200	2 253 200	Nil
CJ Buckenham	-	-	Nil
S Lentonen	2 170 500	2 170 500	Nil
J Detert	815 667	815 667	Nil
I Duke	477 200	477 200	Nil
G Wenhold	-	-	Nil

- Refer to note 1 - Share based payments of the financial statements, for details of the scheme.
- No changes have occurred in the directors' interests between 30 June 2023 and the date of approval of this Integrated Annual Report.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

AUDITED

GENERAL INFORMATION

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Alaris is a global radio frequency (RF) technology Group that prioritises the creation of its own products and safeguarding of its intellectual property by delivering technologically advanced solutions and products to various customers in various sectors.

Directors

CP Bester (Chair)
J Dresel (CEO)
ES Müller (Group Financial Director and CFO) – *resigned 3 May 2023*
CB Neser*
RC Willis
C van der Merwe
GT Heyman
L Sparks – *Appointed 15 September 2022* (*Alternate to CB Neser)
P Anania - *Resigned 1 December 2022*

Registered office	Postal address
1 Travertine Avenue	Private Bag X4
N1 Business Park	The Reeds
Centurion	Pretoria
0157	0061

Bankers

Standard Bank

Subsidiary banks:
Androscoggin Bank
Bank of America
Camden National bank
Danske Bank
Deutsche bank (Postbank)
Hypovereinsbank
NatWest Bank
Nordea Bank Abp

Auditor

KPMG Inc.

Company secretary

Fusion Corporate Secretarial Services

Company registration number

1997/011142/06

Level of assurance

These consolidated financial statements have been audited in compliance with Section 30 of the Companies Act 71 of 2008.

Preparer

The consolidated annual financial statements were prepared under the supervision of CJ Buckenham FCCA - Group CFO.

Published

12 October 2023

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the "Committee") has pleasure in submitting its report for the year ended 30 June 2023 (FY23) to shareholders as required in terms of section 94(7)(f) of the Companies Act, No. 71 of 2008, as amended (the Companies Act), the King Code of Governance for South Africa, 2016 (King IV).

Committee composition, meetings and assessment

The Committee operates within a Board approved mandate and terms of reference. In line with the Companies Act, the members of the Committee were appointed at the Company's 2022 annual general meeting. The Committee does not assume management functions, which remain the responsibility of the Chief Executive Officer, the Chief Financial Officer, and other members of management.

As at the date of this report, the Committee comprises the following members, who have the necessary, adequate skills and experience to fulfil the duties and responsibilities of the Committee:

- R Willis (Non-executive Director) (Chairman)
- C van der Merwe (Independent Non-executive Director)
- L Sparks (Non-executive Director)

Brief profiles of the Committee members, including their qualifications can be found on pages 17 and 18 of this integrated report.

The reappointment of all members of the Committee will be tabled to shareholders for approval at the Company's next annual general meeting to be held on 30 November 2023.

During the year under review, four meetings were held. Members' attendance at these scheduled meetings can be found on page 22 of this integrated report. The Chief Financial Officer, representatives of the external auditors and company secretary, attended the Committee meetings by invitation. During the period under review, the Committee met with the external auditors, without management being present and the Committee is happy to confirm that there were no matters highlighted by the external auditors that required the Committee's attention.

The Chair of the Committee provides the Board with a report of the Committee's activities after each Committee meeting, which includes recommendations on approvals of matters within the Committee's mandate.

In line with King IV, the Board and its committees should be assessed once every two years and this was performed during the 2023 financial year. The next assessment is scheduled for the 2025 financial year.

The role and responsibilities of the Committee

In addition to its statutory responsibilities, the Committee's main objective is to assist the Board in fulfilling its oversight responsibilities, in particular with regard to the evaluation of the adequacy and effectiveness of accounting policies, internal controls and financial and corporate reporting processes.

The Committee's key responsibilities include:

- reviewing and recommending the Group's consolidated interim results, integrated report and financial statements to the Board for approval;
- monitoring compliance with statutory requirements;
- reporting to the Board on the quality and acceptability of the Group's accounting policies and practices, including, without limitation, critical accounting policies and practices;
- providing oversight of the integrated reporting process;
- Considering the appointment and/or termination of the external auditors, including their audit fee, independence and objectivity and determining the nature and extent of any non-audit services;
- receiving and dealing appropriately with any complaints, internally and externally, relating either to the accounting practices or to the content or auditing of all entities within the Group's financial statements or related matters;
- reviewing and monitoring the management and reporting of tax-related matters;
- monitoring the risk management function and processes and assessing the Group's most significant risks; and
- monitoring the technology and information governance framework and associated risks.

Activities of the Committee

The Committee is satisfied that it has performed the statutory requirements for an audit committee as set out in the Companies Act, as well as the functions set out in its terms of reference and that it has therefore complied with its legal, regulatory, and other responsibilities.

The Committee's activities, in support of the Board, for the period under review are summarised as follows:

- Considered the draft interim and annual financial reports prepared by executive management and recommended the adoption of these reports to the Board.
- Overseeing the implementation of the recommended remedial actions following a GAP analysis of the Group's IT systems, networks, and IT governance procedures.
- Monitoring the effectiveness of the Group's cyber security risk management.

External auditor appointment and independence

During the period under review, the Committee assessed the suitability of the external auditor and satisfied itself that the recommended re-appointment of the external auditor has been made in accordance with the recommendations of King IV and specifically relating to the independence of the auditors. The Committee satisfied itself that the Group's external auditor remained independent. The requisite assurance was sought and provided by the auditor that the internal governance processes within the audit firm support and demonstrate its claim to independence. The Committee, in consultation with executive management, agreed to the engagement letter terms, audit plan including the materiality levels proposed and budgeted audit fees for the year under review.

There is a formal procedure and policy that governs the process whereby the auditor is considered for non-audit services. Non-Audit Services classification, as set out in the Group's Non-Audit Services Policy, are considered to be pre-approved by the Committee to a level of 25% of the approved statutory audit fee for that financial year. The non-audit related services provided by the KPMG Tax division during the period under review related to the Research and Development Section 11D application to the Department of Trade and Industry for tax incentives for research and development, in terms of a three-year contract, as approved by the Committee.

The Committee considered the tenure of KPMG Incorporated and has nominated, for re-election at the upcoming annual general meeting of shareholders, KPMG Incorporated to continue in office in accordance with section 94(7) of the Companies Act. Mr TG Cheadle has been recommended to continue as the designated individual auditor for the Group for the financial year ended 30 June 2024. The Committee has requested and has been provided with all decision letters/explanations issued by the Independent Regulatory Board for Auditors (IRBA) or any other regulator and any summaries relating to monitoring procedures/deficiencies issued by KPMG Incorporated.

The Committee has the following responsibilities for external audit:

- Recommends the appointment of external auditor and oversees the external audit process and in this regard the Committee must:
- nominate the external auditor for appointment by the shareholders;
- approve the annual audit fee and terms of engagement of the external auditor;
- monitor and report on the independence of the external auditor in the annual financial statements;
- define a policy for non-audit services and pre-approve non-audit services to be provided by the external auditor;
- ensure that there is a process for the committee to be informed of any reportable irregularities as defined in the Auditing Profession Act, 2005, identified and reported by the external auditor; and
- review the quality and effectiveness of the external audit process and performance against their audit plan.

Internal financial control

The Committee considered the reports of management and external audit in arriving at its conclusion that the Company's system of internal controls and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements. No material breakdown in controls were identified during the year.

Going concern

The Committee critically reviewed the documents prepared by management in which they assessed the going-concern status of the Company. Specific consideration was given to the worldwide supply chain, current geopolitical influences and liquidity. Management has concluded that the Company is a going concern. The Committee concurred with management's assessment and recommended acceptance of this conclusion to the Board.

Governance of risk, information and technology

The Board considers risk management to be a key process in the responsible pursuit of strategic objectives and in the effective management of related material issues. The Committee is responsible for overseeing the governance of risk and IT Governance across the Group. The Committee was satisfied with the effectiveness of the risk management process by management.

During the period under review, the Committee continued to monitor the implementation of the Company's risk policy and plan, as approved by the Board, as well as new risks which developed. In addition, the Committee reviewed reports on the risk management process and assessed the Company's exposure to various risks. At year end, the Board was satisfied with the status of the effectiveness of risk governance in the Company and the adequacy of mitigation plans for materials risks. The key focus areas, risk appetite and further details of the Group's principal risks are reported in the risk management report included in the Group's integrated report on page 11.

Outsourcing of the IT function was maintained across the Group and management and the Committee agreed that they remained satisfied with the services provided by the various providers. Continued focus on the IT infrastructure remained alongside the core Navision systems with an ultimate goal of aligning these under one group arrangement and moving off premise to the cloud for enhanced security and accessibility.

An IT Audit and Risk Dashboard and IT Security Plan was drafted and IT service provider reported on the items every 6 (six) months. The reports were found to be comprehensive.

The Committee monitored the effectiveness of the disaster recovery plans during the period under review and was satisfied that same is adequate and effective. Implementation of the plans took place in the year and is now embedded in the subsidiary management processes.

The Committee agreed a change to the Group's insurance arrangements in the year and consolidation with one broker worldwide, providing a single point of reference and comparison of risk management. The Committee are satisfied with this change whilst it remains early days and full visibility and comparison will be achieved through the renewals to follow in FY24.

Finance function: Expertise and experience of the Chief Financial Officer

The Committee has considered and is satisfied with the appropriateness of the expertise and experience of the Group Financial Officer, Chris Buckenham

The Committee further considered the overall expertise, skills and experience and adequacy of resources in the finance function, as well as the experience of the senior members of management within the function and concluded that the finance function is resourced with appropriately skilled and technically competent individuals, and that it is effective.

The Committee is satisfied that the internal financial controls and procedures of the Company are operating effectively. The Committee confirms that operating effectiveness was considered by all group companies and the committee had access to all information and reports to ensure its responsibility to adequately determine the operating effectiveness of group financial reporting control and procedures was executed.

Internal controls

Internal controls comprise systematic measures, policies, procedures, and business rules adopted by management to provide reasonable assurance that assets are safeguarded; error is prevented and detected, and accounting records are accurate and complete.

To meet the Company's responsibility to provide reliable financial information, the company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that those transactions are properly authorised and recorded.

While the Board is responsible for the internal control systems and for reviewing their effectiveness, responsibility for their actual implementation and maintenance rests with executive management. The Committee has oversight of the Company's financial statements and reporting processes, including the system of internal financial control.

No material matter has come to the attention of the Committee or the Board that has caused the directors to believe that the Company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Committee will continue to assess the Company's internal controls and implement any necessary measures to strengthen the internal controls within the Company.

Internal audit

The internal audit function is an integral part of the corporate governance regime. The primary goal of internal audit is to evaluate the Company's risk management, internal control, and corporate governance processes, and to ensure that they are adequate and functioning correctly.

The position of the Committee is that the internal audit function continues to be performed by the Group finance function. The Board also considers internal controls. While considering the information and explanations provided by management, as well as discussions held with the external auditors on audit results, the Committee is of the opinion that the system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements.

The Committee is of the opinion that the size of the Group currently does not justify or require the appointment of an internal audit function. The Committee will continue to review the necessity of an internal audit function on an annual basis and take the necessary action should the need arise.

Statutory reporting

The Committee has overseen the integrated reporting process, reviewed the integrated report and being satisfied in all material respects that the integrated report and the consolidated annual financial statements for the year ended 30 June 2023 comply with IFRS, the requirements of the Companies Act as well as the SAICA Financial Reporting Standards Council, has recommended the 2023 integrated report and consolidated financial statements for approval by the Board on 10 October 2023.

The Committee evaluated and reviewed the accounting practices and the internal financial controls of the Company. The Committee stays abreast of current and emerging trends in accounting standards.

The Committee did not receive any concerns or complaints, within or outside the Company, relating to the accounting practices of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company, or any related matter.

The annual financial statements will be open for discussion at the forthcoming Annual General Meeting. The Chairman of the Committee, and in his absence, the other members of the Committee, will attend the Annual General Meeting to answer questions falling within the Committee's mandate.

Compliance

The Committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The Committee is satisfied that there has been no material non-compliance with laws and regulations during the period under review.

Conclusion

The Committee is satisfied that it conducted its affairs in compliance with and discharged its responsibilities in terms of its Terms of Reference for the year ended 30 June 2023.

Richard Willis
Chair of the Audit and Risk Committee

12 October 2023

DIRECTORS' REPORT

The directors submit their report on the consolidated annual financial statements of Alaris Holdings Limited and its subsidiaries (together the "Group") for the year ended 30 June 2023.

1. **INCORPORATION**

The Company was incorporated on 11 July 1997 and obtained its certificate to commence business on the same day.

2. **NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES**

Alaris is a global radio frequency (RF) technology Group that prioritises the creation of its own products and safeguarding of its intellectual property by delivering technologically advanced solutions and products to various customers in various sectors.

3. **REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year except where new Standards were adopted.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated financial statements. The operating results and state of affairs of the Group are fully set out and, in our opinion, do not require any further comment.

4. **SHARE CAPITAL**

	2023 R'000	2022 R'000	2023 Number of shares	2022 Number of shares
Issued shares - ordinary shares issued	6	6	126 839 842	127 298 219

Refer to note 14 of the consolidated financial statements for detail of the movement in authorised and issued ordinary share capital.

5. **DIVIDENDS**

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may decide not to declare dividends.

The Group's dividend policy is to declare a dividend equal to 20% - 50% of free cash flow less discretionary capital spend. Discretionary capital spend includes cash earmarked for acquisitions (where is it probable that the closing will occur within 6 months as well as share buy-backs and innovation project funding).

The growth strategy approved by the Board centres around acquisitions and or mergers. The Board has resolved not to declare a dividend for the financial year ended 30 June 2023 (2022: R0).

6. **DIRECTORATE**

The directors of the Company during the year and in office at the date of this report are as follows:

Directors	Office	Designation
CP Bester	Chair	Independent non-executive
RC Willis	Non-independent	Non-executive
C van der Merwe	Independent	Non-executive
CB Neser	Non-independent *	Non-executive
L Sparks	Non-independent (Alternate*)	Non-executive
J Dresel	Group CEO	Executive
GT Heyman	MD of Alaris Antennas	Executive

7. INTERESTS IN SUBSIDIARIES AND TRUSTS

Name of subsidiary / trust	2023 %	2022 %
South Africa subsidiary / trust		
Alaris Holdings Limited Share Incentive Trust (in process of being deregistered)	100	100
Alaris Antennas Proprietary Limited	100	100
Foreign subsidiaries		
Alaris Investment Holdings UK Limited*	100	100
COJOT Oy	100	100
mWAVE Industries LLC	100	100
Linwave Technology Limited	100	100
Kuhne Electronics GmBH	100	-
Alaris US Inc. (dormant)	100	100

On 1 July 2022, COJOT OY ("Cojot"), an indirect wholly owned subsidiary for the company concluded the acquisition of 100% of the shareholding in Kuhne Electronic GmbH ("Kuhne"). The purchase consideration for the acquisition was €1.6 million for the company and €1.1 million for the building in which Kuhne is trading. €1.6 million was paid in cash on 30 June 2022 when the final conditions precedent was completed. The €1.1 million for the building was only payable when the building transfer was registered.

A working capital adjustment of €0.3 million was payable by Cojot to the sellers due to the actual amount of net working capital that exceeded the estimated amount of net working capital. The seller was entitled to an earn-out payment in addition to the purchase price and working capital adjustment. The earn-out amounted to 50% of the profit after tax generated by Kuhne from 1 July 2022 until 31 December 2022, to a maximum of €150 000. The earn-out for the period to 31 December 2022 was €22 872 which was settled in cash during March 2023.

The cash paid for the acquisition was financed through excess cash available in the group. The building was financed through excess cash and a loan of €500 000 from financial institutions.

8. BORROWING POWERS

In terms of the Memorandum of Incorporation of the Company, the borrowing powers of the Company are unlimited and the directors may exercise all powers to borrow money as they consider appropriate. However, all borrowings by the Group are subject to Board approval as required by the Board delegation of authority.

9. EVENTS AFTER THE REPORTING PERIOD

On the 4th of August 2023, Alaris Antennas (Pty) Ltd entered into a new 5 year lease agreement with the lessor, effective from the 1st August 2023. Alaris has a guarantee with the bank of R505,830 in favour of the lessor for the duration of the lease.

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

10. GOING CONCERN

The Group has generated a net profit for the year ended June 2023 of R67 million and as at 30 June 2023, the Group has a cash and cash equivalents of R63 million. The current assets exceeded current liabilities by R220 million.

The consolidated financial statements for the year ended 30 June 2023 have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

11. AUDITORS

KPMG Inc. continued in office as auditors of the Group for 2023 in accordance with Section 90 of the Companies Act of South Africa.

12. COMPANY SECRETARY

The secretary of the Company is Fusion Corporate Secretarial Services.

Postal address: PO Box 68528, Highveld, 0169

Business address: Suite E014, Midlands Office Park East, Mount Quray Street, Midlands Estate, Midstream 1692

The Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and such returns are true, correct and up to date. Based on the outcome of the Board's annual formal assessment of the Company Secretary, the Board confirms that the Company Secretary has the qualifications, competence, and expertise necessary for the role.

13. DIRECTOR'S RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 36 to 84, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

The consolidated annual financial statements of Alaris Holdings Limited for the year ended 30 June 2023 were approved by the Board on 10 October 2023 and signed by:

J Dresel
Chief Executive Officer

G Heyman
Executive Director

CERTIFICATE BY COMPANY SECRETARY

In our capacity as Company Secretary, we hereby confirm, in terms of Section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended ("the Act"), that for the year ended 30 June 2023, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Companies Act and that all such returns are true, correct and up to date.

Fusion Corporate Secretarial Services
Company secretary

12 October 2023

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Alaris Holdings Limited

Opinion

We have audited the consolidated financial statements of Alaris Holdings Limited (the Group) set out on pages 46 to 83, which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alaris Holdings Limited and its subsidiaries as at 30 June 2023, and its consolidated financial performance and consolidated cash flows for the year then ended then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Alaris Holdings Limited Consolidated Annual Financial Statements for the year ended 30 June 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.
Registered Auditor

Per Terence Cheadle
Partner, Registered Auditor

13 October 2023

KPMG Crescent
85 Empire Road
Parktown
Johannesburg
2193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

R'000	Note	2023	2022
Assets			
Non-Current Assets			
Plant and equipment	4	52 674	14 170
Right-of-use-asset	5	16 383	18 230
Goodwill	6	82 278	52 864
Intangible assets	7	17 575	20 056
Deferred tax assets	8	29 494	20 781
		198 404	**126 101**
Current Assets			
Inventories	10	115 233	69 849
Trade and other receivables	11	160 030	113 633
Sundry debtors	12	-	27 144
Tax receivable		7 040	5 682
Cash and cash equivalents	13	63 414	41 728
		345 717	258 036
Total Assets		**544 121**	384 137
Equity and Liabilities			
Equity			
Equity attributable to owners of the Company			
Share capital	14	6	6
Share premium	14	224 777	227 962
Share-based payment reserve	15	9 512	(5 176)
Foreign currency translation reserve		40 910	2 071
Accumulated profit		112 346	45 813
Total equity		**387 551**	**270 676**
Liabilities			
Non-Current Liabilities			
Loans and borrowings	16	9 876	2 115
Lease liabilities	17	12 449	13 387
Deferred tax liabilities	8	8 697	3 991
		31 022	**19 493**
Current Liabilities			
Loans and borrowings	16	4 468	1 117
Lease liabilities	17	4 962	5 910
Trade and other payables	18	106 566	80 585
Bank overdraft	13	-	5 894
Tax payable		9 552	462
		125 548	**93 968**
Total Liabilities		**156 570**	**113 461**
Total Equity and Liabilities		**544 121**	**384 137**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

R'000	Note	2023	2022
Revenue	20	564 377	353 013
Cost of sales		(174 636)	(133 365)
Gross profit		**389 741**	**219 648**
Other income	21	1 224	3 320
Operating expenses		(309 937)	(200 647)
Trading operating profit	22	**81 028**	**22 321**
Finance income	23	1 350	439
Finance costs	24	(1 346)	(898)
Profit before taxation		**81 032**	**21 862**
Taxation	25	(14 499)	(3 064)
Profit for the year		**66 533**	**18 798**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve		**38 839**	**3 026**
Gross amount		45 348	3 887
Taxation		(6 509)	(861)
Total comprehensive income		**105 372**	**21 824**
Weighted average number of ordinary shares in issue		126 327 181	124 067 215
Weighted average number of diluted ordinary shares in issue		126 839 842	124 419 800
Basic earnings per ordinary share (cents)	26	52.67	15.15
Diluted basic earnings per ordinary share (cents)	26	52.45	15.11
Headline earnings per ordinary share (cents)	26	52.67	22.36
Diluted headline earnings per ordinary share (cents)	26	52.45	22.29

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

R'000	Note	Share capital	Share premium	Share-based payment reserve	Foreign currency translation reserve	Accumulated profit	Total Equity
At 30 June 2021		**6**	**209 286**	**26 073**	**(955)**	**27 015**	**261 425**
Total comprehensive income for the year:		-	-	-	**3 026**	**18 798**	**21 824**
– Profit for the year		-	-	-	-	18 798	18 798
– Foreign currency translation reserve		-	-	-	3 026	-	3 026
Share-based payment – option charge	14	-	-	1 468	-	-	1 468
Share-options exercised on net basis	14	-	-	(32 717)	-	-	(32 717)
Movement in treasury shares		*	18 676	-	-	-	18 676
At 30 June 2022		**6**	**227 962**	**(5 176)**	**2 071**	**45 813**	**270 676**
Total comprehensive income for the year:		-	-	-	**38 839**	**66 533**	**105 372**
– Profit for the year		-	-	-	-	66 533	66 533
– Foreign currency translation reserve		-	-	-	38 839	-	38 839
Share-based payment – option charge	14	-	-	14 688	-	-	14 688
Shares Repurchased	14	-	(1 928)	-	-	-	(1 928)
Movement in treasury shares	14	-	(1 257)	-	-	-	(1 257)
At 30 June 2023		**6**	**224 777**	**9 512**	**40 910**	**112 346**	**387 551**

* Nominal amount – amount smaller than R1 000.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

R'000	Note	2023	2022
Cash flows from operating activities			
Cash generated from operations	28	76 772	1 081
Finance income		1 220	439
Finance cost		(791)	(190)
Tax paid	29	(14 106)	(5 982)
Net cash flow from operating activities		**63 095**	**(4 652)**
Cash flows from investing activities			
Additions to plant and equipment	4	(15 885)	(6 362)
Additions to intangible assets	7	(842)	(778)
Additions to Right of use		(1 547)	-
Disposal of Right of use		144	-
Prepayment for acquisition of subsidiary	12	-	(27 144)
Acquisition of subsidiary	30	(13 248)	-
Net cash flow used in investing activities		**(31 378)**	**(34 284)**
Cash flows from financing activities			
Increase in loans and borrowings		2 232	1 312
Repurchase of shares		(1 928)	-
Net (increase) in treasury shares – LTiP		(1 257)	(14 042)
Payment of lease liabilities		(2 441)	(5 626)
Net cash flow used in financing activities		**(3 394)**	**(18 356)**
Net increase/(decrease) in cash and cash equivalents for the year		28 323	(57 292)
Cash and cash equivalents at beginning of the year		35 834	93 177
Effect of exchange rate movement on cash balances		(743)	(51)
Total cash and cash equivalents at end of the year	13	**63 414**	**35 834**

ACCOUNTING POLICIES

1. **Presentation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value and incorporate the principal accounting policies set out below.

The financial statements of the Company are presented separately from the consolidated financial statements and have been approved at the same date as the consolidated financial statements by the directors. The separate company financial statements are available on request at the registered office of the Company.

These accounting policies are consistent with the previous period, except for new standards and interpretations, effective and adopted in the current year as presented in note 2.1.

The consolidated financial statements were authorised for issue by the Board on 10 October 2023.

Reporting entity

Alaris Holdings Limited (the "Company") is a company domiciled in South Africa. The address of the Company's registered office is 1 Travertine Avenue, N1 Business Park, Centurion, 0157. The consolidated financial statements for the year ended 30 June 2023 comprise the Company and all its subsidiaries (together referred to as the "Group" and individually as "Group entities" or "Subsidiaries").

All information has been presented in South African Rand which is the Group's presentation and functional currency. Amounts have been rounded to the nearest R1 000.

1.1. Significant judgements and sources of estimation uncertainty

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

The accounting policies which have been identified as including assumptions and estimation uncertainties that may have an impact on the future results are as follows:

Fair value estimation

The gross carrying value of trade receivables less impairment allowance and trade payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Critical judgements in applying accounting policies

The estimates and assumptions made by management in applying accounting policies, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Impairment of non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually while other assets are tested if there is an indication that they may be impaired. The assessment of recoverable amounts involves assumptions and estimates relating to the calculation of value-in-use, which is based on cash flow projections, variations in the amount and timing of these cash flows and the discount rate used to determine the present value of those future cash flows.

These are assessed for each cash-generating unit to which goodwill is attributed or for the cash-generating unit or asset where indicators of impairment have been assessed. See note 6 for significant assumptions on value-in-use for goodwill.

Revenue recognition on contracts with customers

The percentage of completion method is used for revenue from newly developed products and products designed and developed specifically for customers. Judgement is used in determining the inputs used for determining the amount of revenue recognised which is calculated by dividing actual completion costs incurred (based on estimates of material costs, labour costs, subcontractor performance, and other factors) to date by the total completion costs anticipated. Determining the costs and percentage of completion requires assumptions and estimates to determine the percentage of completion as well as the total cost of the project.

Taxation

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Valuation and useful lives of separately identifiable intangible assets

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their value can be reliably estimated.

In order to determine the fair value of the separately identifiable intangible assets on a business combination as well as their useful lives, management uses its best knowledge to make estimates when utilising the Group's valuation methodologies. The valuation methodologies require input based on assumptions about the future and use discounted cash flows and free cash flow forecasts. See note 7.

1.2. Basis of consolidation

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets acquired, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is not amortised but is assessed for impairment on an annual basis.

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Business combinations

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are consolidated until the date that control over the subsidiary ceases.

On acquisition of an entity which is controlled by the Group, the Group recognises the subsidiary's identifiable assets, liabilities, and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Foreign operations

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest.

Net investment in foreign subsidiaries

Loans receivable from a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future form part of the Company's net investment in that foreign subsidiary.

1.3. Plant and equipment

Cost of plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add or replace a part of it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Costs include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Day-to-day expenses incurred on plant and equipment are expensed directly in profit or loss for the period.

Depreciation of plant and equipment

Items of plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

These following useful lives have been applied in the current and prior periods.

Item	Average useful life (years)
Plant and machinery	5
Furniture and fixtures	10
Motor vehicles	4
Office equipment	5
IT equipment	5
Computer software	5
Leasehold improvements	5
Freehold buildings	33
Production tooling	5

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. In the case where the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation for each period is recognised in profit or loss.

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of items to their residual values, over the estimated useful lives using a method that reflects the pattern in which the asset's future economic benefit is expected to be consumed by the Group. Depreciation ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Derecognition of plant and equipment

Derecognition occurs when an item of plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

When a decision is made by the directors that an item of property, plant and equipment will be disposed of, and the requirements of IFRS 5 Non-current assets held for sale and discontinued operations are met, then those specific assets will be presented separately in the statement of financial position. The assets are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such asset's ceases.

1.4. Intangible assets

An intangible asset is recognised when both of the following are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are measured at cost less accumulated amortization or impairment.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when all the following are met:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and utilise or sell it;
- there is an ability to utilise or sell it;
- it will generate probable future economic benefits from more than one customer;
- no customisation fee was received for developing a new product based on another product in the Group;
- there are technical, financial and other resources available in order to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

The intangible assets consist of the customer relationships, patents and development expenditure incurred for models, designs and prototypes that are considered to possess the ability to ensure a future economic benefit, on a long-term basis in the future. This development expenditure could be measured reliably.

Development costs, mainly consisting of staff remuneration, are capitalised as incurred. Amortisation of intangible assets commences once the project is finished and the product has shipped to the customer.

The amortisation period and the amortisation method for an intangible asset is reviewed at each reporting date.

Amortisation is recognised in profit or loss on a straight-line basis for both the current and comparative year, as follows:

Item	Average useful life (years)
Models, designs and prototypes	5
Customer relationships – COJOT	7
Customer relationships – mWAVE	5
Customer relationships – Linwave	7
Customer relationships – Kuhne	3

The amortisation charge is included under operating expenses in the statement of profit or loss and other comprehensive income.

1.5. Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial assets which are debt instruments are measured at amortised cost. Financial liabilities are measured at amortised cost.

Note 32 Risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

1.5.1. Trade and other receivables

Classification

Trade and other receivables, excluding, VAT, deposits and prepayments, are classified as financial assets subsequently measured at amortised cost (note 11).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group sells a product or service to a customer. They are measured, at initial recognition, at fair value plus transaction costs, if any and are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative interest using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in trading operating profit (note 22).

Details of foreign currency risk exposure and the management thereof are provided in note 32.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 23).

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, deposits and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group applies the simplified approach and measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected losses

The Group uses the simplified approach of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on at least 24 full months and 12 months for newly acquired companies of historic credit loss experience, adjusted for factors that are specific to the debtors, the payment method for the customer and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money. If the customer pays via a letter of credit, the percentage used will be reduced as the certainty will be higher to receive the money from the bank.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as an expected credit loss (note 22).

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed into liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company's recovery procedures, taking account of legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the risk management note (note 32).

Offsetting

Financial assets and financial liabilities are not offset, or the net amount presented in the statement of financial position unless, the Group has a legal right to offset the amounts and intends to either settle them on a net basis or to realise the assets and settle the liability simultaneously.

ACCOUNTING POLICIES (continued)

1.5.2. Loans and borrowings

Classification

Loans and borrowings (note 16) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans and borrowings are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 24).

Loans and borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

1.5.3. Trade and other payables

Classification

Trade and other payables (note 18), excluding VAT, payroll accruals, lease liability, deferred revenue, product warranty provision and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the Group purchases a product or service.

At initial recognition trade and other payables are recorded at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables do not contain a significant financing portion.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in trading operating profit (note 22).

Details of foreign currency risk exposure and the management thereof are provided in note 32.

1.5.4. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are measured at amortised cost which approximates their fair value.

Bank overdrafts

Bank overdrafts are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Bank overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6. Sundry debtors

Sundry debtors consisted of a prepayment made for an investment in a subsidiary where the Group had not taken effective control as at financial year end.

The sundry debtor was reclassified to a subsidiary on the date when the Group took over control of the entity.

When material, sundry debtors will be disclosed on the face of the Statement of Financial Position as a separate line item.

For more information on the sundry debtor, refer to Note 30.

1.7. Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend withholding tax

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared.

The Group withholds dividend tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the Group's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises, from a transaction or event, which is recognised in the same or a different period, in other comprehensive income or equity.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8. Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group company as lessee

A lease liability and corresponding right of use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative standalone prices of the lease components and the aggregate standalone price of the non-lease components (where non lease components exist). Details of leasing arrangements where the Group is a lessee are presented in note 17 Lease Liabilities.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in substance fixed payments, less any lease incentives; and
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 24).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- there has been a change in the assessment of whether the Group will exercise an extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets

Right of use assets are presented as a separate line item on the Statement of Financial Position.

Right of use assets comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

For right of use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of plant and equipment. Refer to the accounting policy for plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right of use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.9. Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned by using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula and for some subsidiaries first-in-first-out formula. The same cost formula is used for all inventories having a similar nature and use to the Group.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in cost of sales in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Work in progress

Work in progress consists of unfinished goods measured at the lower of cost and net realisable value. Once goods are completed, they are transferred to finished goods.

Bonded inventory

Bonded inventory consists of raw materials that the Group purchases and charges to a customer upfront. The customer would prepay for the inventory but would not yet own the inventory. The transfer of inventory will only happen once the raw materials have been used to build the final finished goods and the revenue has been recognised.

Obsolete inventory provision

The allowance for obsolescence represents the inventory that has not been sold or used in manufacturing within the past 24-36 months also considering quantities on hand compared to average usage. The movement in this allowance is based on the sale, usage, or lack thereof in case of an increase of items in the manufacturing process.

1.10. Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Value in use is estimated taking into account future cash flows and discounting it using an appropriate weighted average cost of capital.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is recognised as an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation and amortisation is recognised immediately in profit or loss.

Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment annually. An impairment loss in respect of goodwill is not reversed.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or accumulated amortisation is recognised immediately in profit or loss.

1.11. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

If the Group reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Consideration paid or received is recognised directly in equity.

Shares in the Company held by the Share Incentive Trust are classified as treasury shares. The cost of these shares is deducted from equity. The number of shares held is deducted from the number of issued shares and the weighted average number of shares in the determination of earnings per share. Dividends received on treasury shares are eliminated on consolidation.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.12. Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity – in the share-based payment reserve – is recognised if the goods or services were received in an equity-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Non-market related vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight-line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full.

In circumstances where the Group is involved in a share-based payment transaction among Group entities, the following is applied in the entity's financial statements:

- Where the Company is the recipient of the goods or services, the transaction is measured as an equity settled share-based payment transaction only if the awards are granted in its own equity instruments or if the entity has little or no obligation to settle the transaction.
- Where the Company settles the share-based payment transaction and another entity in the Company receives the goods or services, the entity recognises the transaction as an equity-settled share-based payment transaction only if it is settled in the entity's own equity instruments.

Currently the Group only has equity settled share-based payment transactions.

1.13. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.14. Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Product warranties

The Group warrants certain repairs on its products for a 12 month period. These warranties are provided for when the initial project is completed. Warranty repairs during the warranty period are monitored and written back against the provision when incurred.

1.15. Revenue from contracts with customers

Revenue for the Group is recognised using the 5-step process:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations; and
- recognising revenue when/as performance obligation(s) are satisfied.

The Group's revenue is derived from two income streams:

- Products that are fully configured where an order is received from the customer; and
- Products that are newly developed.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Fully configured products

For sales of fully configured products, the product is manufactured and then shipped to the customer. The point of recognition of revenue is dependent on the sales contract terms and when control of the goods is transferred. A receivable is recognised by the Group when the goods are delivered and control transfers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with either prepayment terms or a credit term of 30-60 days. The amount recognised in revenue excludes trade discounts, volume rebates and value added tax.

Newly developed products and products designed and developed specifically for customers

For newly developed products a sales contract exists where performance obligations are clearly defined. The revenue is recognised either at a point in time as per the performance obligations in the contract, as these are all short-term in nature or are recognized based on the percentage of completion to date. The percentage of completion is determined using the inputs method by dividing actual completion costs incurred (based on estimates of material costs, labour costs, subcontractor performance, and other factors) to date by the total completion costs anticipated. When a loss from a contract is anticipated, a provision for the entire loss that is anticipated is made in the period in which this first becomes evident, as assessed by the Company's management. The Company recognizes revenue from newly developed products over time, since the Company's performance does not create an asset with alternative use to the Company and the Company has an enforceable right to payment for performance completed up to that date. The payment terms for these projects are based on milestones specified in the contract, which are determined in relation to the rate of progress.

A receivable is recognised by the Group once the performance obligation per the contract is met as that will represent the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with either prepayment terms or a credit term of 30 – 60 days.

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price (excluding trade discounts, volume rebates and value added tax), allocated to that specific performance obligation.

In certain instances, customers are sold extended warranties. This is seen as a separate performance obligation. These amounts are recognised as deferred revenue since the Group has not rendered the service relating to these warranties. Deferred revenue will be released to revenue at the earliest date of when the services are rendered relating to the warranty or the date of expiry of the warranty.

ACCOUNTING POLICIES (continued)

1.16. Other income

Other income is recognised for amounts received or receivable outside the normal course of business when the following conditions have been satisfied:

- the amount of other income can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

Other income includes profit on foreign exchange, profit on sale of assets, and sundry income. Refer to note 21 for more details.

1.17. Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the inventories value recognised and as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.18. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise of interest expense on bank overdraft, unwinding of the discount on provisions and impairment losses recognised on financial assets. Finance costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

1.19. Trading operating profit or loss

Trading operating profit or loss comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income, fair value adjustments, impairment of goodwill and finance costs.

1.20. Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

The Group policy to manage foreign exchange risk is to net off foreign debtors and bank balances against foreign creditors, and the remaining exposure is hedged via currency futures or options, with a maximum of R3 million of the total exposure left unhedged.

For revenue received in advance, the exchange rate to be used is the exchange rate on the date the foreign currency is received into the Group's bank account.

Foreign operations

The financial statements of foreign operations in the Group are translated into South African Rand as follows:

- assets, including goodwill, and liabilities at the rates of exchange ruling at the reporting date;
- income, expenditure and cash flow items at the weighted average rate of exchange during the accounting period; and
- equity at historical rates.

Differences arising on translation are recognised in other comprehensive income and are presented in the foreign currency translation reserve ("FCTR") in reserves.

2. New Standards and Interpretations

2.1. Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation	Effective date Periods beginning on or after	Expected impact
IAS 37 amendment - Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022	The impact of the standard is not material.
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 material.
IAS 16 amendment - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	The impact of the standard is not material.
IAS 1 and IFRS Practice Statement 2 amendment Disclosure Initiative: Accounting Policies	1 January 2022	The impact of the standard is not material.
IAS 1 amendment - Classification of liabilities as current or non-current	1 January 2023	The impact of the standard is not material.
IAS 8 amendment - Definition of Accounting Estimates	1 January 2023	The impact of the standard is not material.
IAS 12 amendment - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	The impact of the standard is not material.

2.2. Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2023 or later periods. Only standards that are relevant to the Group have been listed below:

Standard/Interpretation	Effective date Periods beginning on or after	Expected impact
IFRS 16 amendment – Leases on sale and leaseback	1 January 2024	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 amendment – Non-current liabilities with covenants	1 January 2024	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 amendment – Non-current liabilities with covenants	1 January 2024	The impact of the standard is not expected to have a material impact on the financial statements

3. Operating segments

The Group has six (2022: five) reportable segments as described below, which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's chief operating decision maker (CODM). The CODM at the reporting date is the Executive Committee. The responsibility of the Executive Committee is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The segment financial information provided to and used by the CODM forms the basis of the segment information disclosure in these financial statements.

The operating segments comprise:

- **Alaris Antennas**: located in Centurion, Pretoria, South Africa where it designs, manufactures and sells specialised broadband antennas as well as other related radio frequency products.
- **Alaris COJOT**: located in Espoo, Finland where it develops innovative broadband antennas to improve connectivity, coverage and competitiveness of radio equipment which is deployed to save lives and protect property.
- **Alaris mWAVE**: located in Windham, Maine in the United States and is a leading global provider of innovative custom and commercial microwave antenna solutions. As of 1 June 2019, Alaris USA was created as a trading division of mWAVE Industries LLc to sell and support specialised antennas and other RF related products designed by the non-USA based subsidiaries in the Group to its customer base through North America.
- **Alaris Linwave**: located in Lincoln in the United Kingdom, is a leading supplier of novel, custom RF & Microwave products across multiple markets from defence, avionics, marine and wireless, to industrial and healthcare.
- **Alaris Kuhne**: Located in Berg, Bavaria in Germany, is a leading supplier of innovative and efficient solutions in the fields of radio frequency and microwave technology. Kuhne Electronics GMbH was acquired on 1 July 2022.
- **Corporate and consolidation**: located in Centurion, is a cost centre where costs relating to shared services and fees associated with being a group company are included. Net funding costs are also included here. Costs include those previously associated with a listed company and are retained in the current structure.

The Group operates internationally, across all markets. Refer to note 11 for disclosure on major customers.

Performance is measured based on earnings before interest, taxation, depreciation and amortisation, as well as profit/(loss) for the year as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within the industry.

R'000	2023	2022
Segmental revenue		
Alaris Antennas	168 218	147 141
Alaris COJOT	123 729	78 784
Alaris mWAVE	184 835	70 484
Alaris Linwave	135 051	97 678
Alaris Kuhne	51 787	-
Inter-segmental	(99 243)	(41 074)
Group	**564 377**	**353 013**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		
Alaris Antennas	41 355	40 569
Alaris COJOT	38 258	21 710
Alaris mWAVE	28 085	(2 590)
Alaris Linwave	16 363	9 434
Alaris Kuhne	3 066	-
Corporate and consolidation	(25 402)	(21 120)
Group	**101 725**	**48 003**
Profit for the period		
Alaris Antennas	29 399	28 669
Alaris COJOT	27 757	15 958
Alaris mWAVE	18 183	(2 747)
Alaris Linwave	11 758	9 842
Alaris Kuhne	300	-
Corporate and consolidation	(20 863)	(32 924)
Group	**66 533**	**18 798**

3. Operating segments (continued)

R'000	2023	2022
Normalised earnings after tax for the period		
Alaris Antennas	29 399	28 669
Alaris COJOT	27 757	17 647
Alaris mWAVE	18 183	(2 747)
Alaris Linwave	11 758	9 859
Alaris Kuhne	1 695	-
Corporate and consolidation	(19 062)	(18 215)
Group	**69 729**	**35 213**

Segment Assets and Liabilities

Segment Assets	2023	2022
Alaris Antennas	139 190	100 249
Alaris COJOT	125 910	54 694
Alaris mWAVE	117 824	50 934
Alaris Linwave	120 511	96 466
Alaris Kuhne	41 822	-
Corporate & consolidation	(1 136)	81 794
Group	**544 121**	**384 137**

Segment Liabilities		
Alaris Antennas	(35 732)	(31 468)
Alaris COJOT	(34 270)	(17 577)
Alaris mWAVE	(59 380)	(6 976)
Alaris Linwave	(50 060)	(50 003)
Alaris Kuhne	(8 190)	-
Corporate & consolidation	31 062	(7 437)
Group	**(156 570)**	**(113 461)**

Geographical information

Alaris Antennas operates its manufacturing, research & development and sales offices from South Africa. Alaris COJOT and Alaris Kuhne operate within Europe. Alaris mWAVE (including Alaris USA) operates from the United States of America. Alaris Linwave operates from the United Kingdom. The Corporate & Consolidation segment is based in South Africa.

The geographic information analyses the Group's revenue by region of operating activity. In presenting the geographic information, segment revenue is based on the geographic location of the customers.

R'000	2023 Amount	2023 %	2022 Amount	2022 %
REVENUE				
Total	**564 377**	**100%**	**353 013**	**100%**
Americas	195 708	24%	79 199	22%
Asia, Middle East, Australia	79 168	20%	74 631	21%
Europe	134 440	28%	102 278	29%
United Kingdom	135 347	22%	79 608	23%
South Africa	19 714	6%	17 297	5%

3. Operating segments (continued)
Normalised earnings per share

Normalised earnings is calculated by adjusting profit for the legal and consulting fees for acquisitions and is for information purposes only.

Normalised earnings per share is calculated by dividing normalised earnings by the weighted average number of ordinary shares in issue.

R'000	2023	2022
Profit from operations for the year	66 533	18 798
Restructure costs	1 354	-
Legal and consulting costs for acquisitions	447	3 084
COVID Grant repayable - Kuhne	1 395	-
Investment impairment of mWAVE	-	8 938
Cost to delist from the JSE	-	4 393
Normalised earnings	**69 729**	**35 213**
Weighted average number of ordinary shares in issue	**126 327 181**	**124 067 215**
Normalised earnings per ordinary share (cents)	**55.20**	**28.38**

4. Plant and equipment

R'000	2023 Cost	2023 Accumulated depreciation	2023 Carrying value	2022 Cost	2022 Accumulated depreciation	2022 Carrying value
Plant and machinery	39 986	(25 791)	14 195	26 895	(20 377)	6 518
Furniture and fixtures	2 914	(667)	2 247	1 500	(596)	904
Motor vehicles	552	(530)	22	542	(506)	36
Office equipment	4 326	(3 392)	934	161	(99)	62
IT Equipment	11 799	(4 682)	7 117	9 206	(6 205)	3 001
Computer software	10 757	(7 897)	2 860	7 598	(6 063)	1 535
Leasehold improvements	7 639	(4 409)	3 230	4 892	(3 227)	1 665
Production tooling	2 583	(1 725)	858	1 320	(928)	392
Buildings	21 828	(635)	21 193	-	-	-
Capital - Work in progress	18	-	18	57	-	57
	102 402	**(49 728)**	**52 674**	**52 171**	**(38 001)**	**14 170**

Reconciliation of Plant and Equipment – 2023 R'000	Opening balance	Acquisition/ (Disposals)	Reclassification	Additions	Depreciation	FCTR	Closing balance
Plant and machinery	6 518	4 146	-	4 701	(2 684)	1 512	14 193
Furniture and fixtures	904	-	-	1 498	(196)	41	2 247
Motor vehicles	36	-	-	-	(17)	5	24
Office equipment	62	604	-	667	(482)	80	931
IT Equipment	3 001	-	-	5 125	(1 292)	283	7 117
Computer software	1 535	-	39	1 996	(818)	110	2 862
Leasehold improvements	1 665	1 286	-	497	(717)	499	3 230
Production tooling	392	15	-	660	(262)	54	859
Buildings	-	17 376	-	739	(574)	3 652	21 193
Capital - Work in progress	57	–	(39)	–	–	–	18
	14 170	**23 427**	-	**15 883**	**(7 042)**	**6 236**	**52 674**

4. Plant and equipment (continued)

Reconciliation of Plant and Equipment – 2022 R'000	Opening balance	Acquisition/ (Disposals)	Reclassification	Additions	Depreciation	FCTR	Closing balance
Plant and machinery	5 308	-	-	3 136	(2 141)	215	6 518
Furniture and fixtures	306	-	-	721	(123)	-	904
Motor vehicles	45	-	-	-	(14)	5	36
Office equipment	69	-	-	18	(25)	-	62
IT Equipment	2 040	-	-	1 710	(752)	3	3 001
Computer software	1 654	-	581	-	(769)	69	1 535
Leasehold improvements	1 469	-	19	641	(605)	141	1 665
Production tooling	619	(1)	-	17	(243)	-	392
Capital - Work in progress	537	-	(600)	119	(1)	2	57
	12 047	**(1)**	**-**	**6 362**	**(4 673)**	**435**	**14 170**

Pledged as security

Plant and equipment with a carrying value of R3.6million (2022: R3.6million) was provided as security, refer note 16.

	2023 R'000	2022 R'000
Plant and machinery	3 455	3 371
Motor vehicles	125	187
	3 580	**3 558**

5. Right-of-use assets

The company leases several assets, including buildings, plant, IT equipment and motor vehicles. The average lease term is five years (2022: five years).

The Group continuously assess available evidence to determine whether a re-assessment of the lease term & lease payments is required. Management's assessment therefore includes all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to renew.

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 statement of profit and loss.

2023
R'000

	Balance at 1 July 2022	Additions	Disposals	Depreciation	FCTR	Closing balance
Property	17 723	1 547	-	(5 674)	2 678	16 274
Motor vehicles	507	-	(144)	(323)	69	109
	18 230	**1 547**	**(144)**	**(5 997)**	**2 747**	**16 383**

2022
R'000

	Balance at 1 July 2022	Additions	Disposals	Depreciation	FCTR	Closing balance
Property	21 231	1 140	-	(5 206)	558	17 723
Motor vehicles	867	-	-	(367)	7	507
	22 098	**1 140**	**-**	**(5 573)**	**565**	**18 230**

6. Goodwill

	2023				2022			
R'000	Carrying value – opening balance	Acquisition	FCTR	Carrying value – closing balance	Carrying value – opening balance	Impairment	FCTR	Carrying value – closing balance
Radiant Antennas	2 207	-	-	2 207	2 207	-	-	2 207
COJOT	25 840	-	5 522	31 362	25 920	-	(80)	25 840
mWAVE	7 167	-	1 532	8 699	16 155	(8 938)	(50)	7 167
Linwave	17 649	-	3 772	21 421	17 704	-	(54)	17 650
Kuhne	-	15 316	3 273	18 589	-	-	-	-
	52 863	**15 316**	**14 099**	**82 278**	**61 986**	**(8 938)**	**(184)**	**52 864**

Goodwill related to Radiant Antennas Proprietary Limited ("Radiant")

The Group entered into a Sale of Business Agreement, dated 10 July 2012, with Radiant to acquire the business of Radiant as a going concern in order to expand business opportunities. The Radiant business acquisition was incorporated into Alaris Antennas effective 1 July 2012, however, is still measured as a separate cash generating unit.

Goodwill to the value of R2 207 122 was recognised from the Radiant transaction. The recoverable amount was determined as the value-in-use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 27.73% (2022: 22.49%) and terminal growth rate of 1% (2022: 1%). The key assumptions are obtained from the budget for 2024 and business plans for the years thereafter. Management's forecast typically covers a five-year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

Goodwill related to COJOT Oy ("Cojot")

The Group entered into a purchase of share agreement, effective 1 May 2016 where 100% of the shareholding was purchased from private owners.

Goodwill to the value of R24.8 million (€1.5 million) was recognised from the transaction. The recoverable amount was determined as the value-in-use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 18.244% (2022: 14.74%) and a terminal growth rate of 2% (2022:2%). The key assumptions are obtained from the budget for 2024 and business plans for the years thereafter. Management's forecast typically covers a five-year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

Possible changes in the assumptions used to calculate the value-in-use for all goodwill balances are not likely to cause the recoverable amount to fall below the carrying value of the cash generating units.

Goodwill related to mWAVE Industries LLC ("mWave")

The Group entered into a purchase of share agreement, effective 1 October 2018 where 100% of the shareholding was purchased from private owners.

Goodwill to the value of R15.6 million (€0.9 million) was recognised from the transaction. The recoverable amount was determined as the value in use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 16.66% (2022: 15.81%) and a terminal growth rate of 3% (2022: 3%). The key assumptions are obtained from the budget for 2024 and business plans for the years thereafter. Management's forecast typically covers a five-year period and thereafter a reasonable growth rate is applied based on current market conditions.

The recoverable amount was greater than the carrying value in the current year and hence no impairment was recognised.

Impairment indicators were identified in the prior year due to poor trading conditions. As a result an impairment test was performed and the carrying amount was calculated as being higher than the recoverable amount. This resulted in an impairment of R8.9 million (€0.5 million) being recognised in FY2022.

Goodwill related to Linwave Technology Limited ("Linwave")

The acquisition of Linwave was concluded February 2021.

Goodwill to the value of R18.8 million (€1 million) was recognised from the transaction. The recoverable amount was determined as the value in use of Linwave Technology Limited estimated on the net present value of the future cash flows, expected to be derived from the company, using a pre-tax discount rate of 19.35% (2022:14.76%) and a terminal growth rate of 2% (2022: 2%). The key assumptions are obtained from the budget for 2024 and business plans for the years thereafter. Management's forecast typically covers a five-year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

Goodwill related to Kuhne Electronics GmBH ("Kuhne")

The acquisition of Kuhne was concluded on 1 July 2022.

Goodwill to the value of R15.3 million (€0.9 million) was recognised from the transaction. The recoverable amount was determined as the value in use of Kuhne estimated on the net present value of the future cash flows, expected to be derived from the company, using a pre-tax discount rate of 12.65% and a terminal growth rate of 2%. The key assumptions are obtained from the budget for 2024 and business plans for the years thereafter. Management's forecast typically covers a five-year period and thereafter a reasonable growth rate is applied based on current market conditions. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

7. Intangible assets

	2023				2022			
R'000	Cost	Accumulated amortisation and impairment	FCTR	Carrying value	Cost	Accumulated amortisation and impairment	FCTR	Carrying value
Model, designs and prototypes	18 603	(15 285)	–	3 318	16 388	(12 469)	-	3 919
Customer relationships – COJOT	7 027	(6 126)	(901)	–	7 027	(6 227)	73	873
Customer relationships – mWAVE	7 326	(5 925)	(942)	459	7 326	(5 795)	361	1 892
Customer relationships – Linwave	17 559	(5 826)	1 632	13 365	17 559	(3 238)	(949)	13 372
Customer relationships – Kuhne	534	(195)	94	433	-	-	-	-
	51 049	**(33 357)**	**(117)**	**17 575**	**48 300**	**(27 729)**	**(515)**	**20 056**

Reconciliation of intangible assets – 2023

R'000	Opening balance	Additions	Acquisition of business	Amortisation and impairment	FCTR	Closing balance
Model, designs and prototypes	3 919	842	891	(2 519)	185	3 318
Customer relationships – COJOT	873	–	–	(957)	84	–
Customer relationships – mWAVE	1 892	–	–	(1 659)	226	459
Customer relationships – Linwave	13 372	–	–	(2 588)	2 581	13 365
Customer relationships – Kuhne	–	–	534	(195)	94	433
	20 056	**842**	**1 425**	**(7 918)**	**3 170**	**17 575**

Reconciliation of intangible assets – 2022

R'000	Opening balance	Additions	Acquisition of business	Amortisation and impairment	FCTR	Closing balance
Model, designs and prototypes	4 664	778	–	(1 523)	–	3 919
Customer relationships – COJOT	1 925	–	–	(1 058)	6	873
Customer relationships – mWAVE	3 416	–	–	(1 530)	6	1 892
Customer relationships – Linwave	15 782	–	–	(2 385)	(25)	13 372
	25 787	**778**	**–**	**(6 496)**	**(13)**	**20 056**

Internally generated intangible assets with finite useful lives

The intangible assets consist of the development expenditure for models, designs and prototypes incurred that are considered to possess the ability to ensure a future economic benefit, on a long-term basis. The expenditure could be measured reliably. The useful life is five years with no residual value. The amortisation charge of R2.5 million (2022: R1.5 million) is included under operating expenses in the statement of profit or loss.

Total aggregate research and development cost incurred was R50.7 million (2022: R48.3million).

Customer relationships

Fair value of the customer database was calculated by assessing the consistency of the customers in terms of their existence and value over the last three years prior to the acquisition of the related company. Based on this information an attrition percentage was applied to the expected revenues of the Company to determine what value of the future anticipated revenues is estimated to be received from the existing customer database. The lifetime of the Cojot and Linwave customer database was estimated to be seven years, mWave five years and Kuhne three years.

The amortisation charge of R5.4 million (2022: R5.0million) is included under operating expenses in the statement of profit or loss. Based on the valuation, amortisation of the customer relationships' intangible asset of Cojot has been amortised completely, R2.6 million per year for Linwave for the remaining period, R1.7 million per year for mWave for the remaining period and R0.2 million per year for Kuhne for the remaining period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

8. Deferred tax

	2023 R'000	2022 R'000
Deferred tax liabilities	(8 697)	(3 991)
Deferred tax assets	29 494	20 781
Total net deferred tax assets	**20 797**	**16 790**
Reconciliation of total net deferred tax assets/(liabilities)		
At beginning of year	16 790	15 741
Change in tax rate	(27)	1 442
Acquisition of Kuhne	(188)	-
Increase in tax loss available for set off against future taxable income	397	1 467
(Reversing)/originating temporary difference on plant and equipment	(1 536)	186
(Reversing)/originating temporary difference on right-of-use assets	(1 074)	(283)
Originating temporary difference on intangible assets	1 210	461
Originating/(reversing) temporary differences on share-based payments	3 545	(2 945)
Originating/(reversing) temporary differences on deferred revenue, income received in advance, prepaid expenses	4 149	(400)
Prior year under provision	141	1 054
Temporary differences on unrealised foreign exchange (profit)/loss	(2 610)	67
Closing balance	**20 797**	**16 790**
Beginning of year	16 790	15 741
Acquisition of Kuhne	(188)	-
Change in tax rate	27	1 442
Prior year under provision	141	1 054
Foreign currency translation reserve	(2 661)	67
Charged through profit or loss	6 688	(1 514)
Closing balance	**20 797**	**16 790**
Net deferred tax balances consist of the following:		
Plant and equipment	(4 801)	(1 821)
Intangible assets	4 968	3 392
Right-of-use asset and lease liability	180	(81)
Deferred revenue, income received in advance, prepaid expenses and share-based payment	15 276	7 283
Tax losses available for set off against future taxable income	11 073	8 781
Investments	754	-
Unrealised foreign exchange profit	(6 653)	(764)
Unrecognised deferred tax balances	**20 797**	**16 790**
Estimated tax losses available to set off against future taxable income	1 660	(440)

9. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2023	Amortised cost R'000	Total R'000
Trade receivables	150 080	150 080
Cash and cash equivalents	63 414	63 414
	213 494	**213 494**

2022	Amortised cost R'000	Total R'000
Trade receivables	105 322	105 322
Cash and cash equivalents	41 728	41 728
	147 050	**147 050**

The fair value of the financial assets is equal to their carrying values at year end due to their short-term nature.

10. Inventories

	2023 R'000	2022 R'000
Raw materials and components	66 538	41 757
Work in progress	20 355	6 658
Bonded inventory	-	8 505
Finished goods	39 556	18 802
	126 449	**75 722**
Allowance for obsolescence	(11 217)	(5 873)
	115 232	**69 849**
Allowance for obsolescence		
Opening balance	5 873	4 681
Allowance increase	5 344	1 192
Closing balance	**11 217**	**5 873**

11. Trade and other receivables

	2023 R'000	2022 R'000
Financial instruments at amortised cost		
Trade receivables	155 669	103 694
Contract asset *	-	4 401
Expected credit loss	(5 666)	(3 497)
Trade receivables at amortised cost	150 003	104 598
Other debtors	77	724
	150 080	**105 322**
Non-financial instruments		
Prepayments	5 110	3 725
VAT	3 385	4 383
Deposits	1 455	203
	9 950	**8 311**
Total trade and other receivables	**160 030**	**113 633**

* Contract asset – Finished goods scheduled for collection on 30 June 2022, collected by courier on 1 July 2022.

Trade receivables ageing analysis

R'000 2023	Gross amount	Expected credit loss	Net amount
Current	94 127	(2 099)	92 028
1 month past due	18 723	(239)	18 484
2 months past due	35 077	(959)	34 118
3 months and more past due	7 742	(2 369)	5 373
	155 669	**(5 666)**	**150 003**

	Historic loss ratio %	Forward-looking adjustment	Adjusted historic loss ratio %
Current	2.23	-	2.23
1 month past due	1.28	-	1.28
2 months past due	2.73	-	2.73
3 months and more past due	30.60	-	30.60
			36.84

11. Trade and other receivable (continued)

R'000 2022	Gross amount	Expected credit loss	Net amount
Current	93 037	(425)	92 612
1 month past due	8 486	(86)	8 400
2 months past due	257	(3)	254
3 months and more past due	6 315	(2 983)	3 332
	108 095	**(3 497)**	**104 598**

	Historic loss ratio	Forward-looking adjustment	Adjusted historic loss ratio
Current	0.46%	–	0.46%
1 month past due	1.01%	–	1.01%
2 months past due	1.17%	–	1.17%
3 months and more past due	47.24%	–	47.24%
			49.88%

The maximum exposure to credit risk of trade receivables (net of expected credit losses) based on geographical area:

	2023 R'000	2022 R'000
Europe	11 292	47 170
Asia	27 257	6 927
USA	64 593	13 578
Middle East	4 325	7 212
Australia	70	19
South Africa	9 583	3 157
United Kingdom	29 322	23 340
Canada	3 561	3 195
	150 003	**104 598**

There were no sales transactions with customers with revenue of more than 10% of the Group's revenue:

Trade receivables comprise a widespread continuing customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 94% (2022: 95%) of the Group's revenue is attributable to sales transactions with international customers. The Group generally deals with corporates who have a sound credit rating. Credit risk is controlled by credit limits being set by experienced personnel. Where credit history has not been established with the customer, upfront payment or Letters of Credit (LC's) are required. Overdue receivables are reviewed monthly. It is Group policy to provide 30-60 day payment terms, dependant on the market and opportunity.

Fair value of trade receivables

The fair value of trade approximates the carrying value due to the short-term nature.

Reconciliation of provision for impairment of trade receivables:

	2023 R'000	2022 R'000
Opening balance	3 497	185
Expected credit loss charged through profit and loss	2 169	3 312
Closing balance	**5 666**	**3 497**

The Group makes use of the simplified approach of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on 24 full months and 12 months for newly acquired companies of historic credit loss experience, adjusted for factors that are specific to the debtors, the payment method for the customer and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money. The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade receivables mentioned above and cash and cash equivalents mentioned below.

12. Sundry debtors

On 1 July 2022, the Company concluded the acquisition of 100% of the shareholding of Kuhne Electronic GmbH through its wholly owned subsidiary COJOT OY.

The purchase consideration for the acquisition was €1.6 million which was paid in cash on 30 June 2022 with the final conditions' precedent being effective at close of business on 1 July 2022. This was classified as a sundry debtor on 30 June 2022 as Kuhne was not under control of the Group at that date.

	2023 R'000	2022 R'000
Prepayment for acquisition of subsidiary	-	27 144

13. Cash and cash equivalents

	2023 R'000	2022 R'000
Cash and cash equivalents consist of:		
Cash on hand	43	11
Bank balances	63 371	35 935
Bank overdraft	-	(5 894)
Short-term deposits	-	5 782
	63 414	**35 834**

The Standard Bank of South Africa holds collateral of suretyship limited to R15 million between Alaris Holdings Limited and Alaris Antennas Proprietary Limited for a R15 million overdraft facility. Included in cash and cash equivalents of Alaris Antennas Proprietary Limited is an unconditional guarantee in the amount of R505,830 in favour of the lessor for the 5-year lease agreement concluding on the 30 September 2023.

Alaris mWave has a $1 000 000 line of credit with Androscoggin Bank. Borrowings bear interest at prime plus 1% with a 4% floor rate, are secured by all business assets and are guaranteed by the member. The line is subject to annual review and renewal on 1 June 2024. There were no borrowings outstanding on the line at year end.

Linwave has a £250 000 overdraft facility with NatWest bank. The overdraft bears an interest rate of 2.5% per year over the bank's base rate. Where base rate is below zero, it will be deemed to be zero. The overdraft was unused at the end of the current financial year.

Alaris Kuhne has a €205 000 guarantee in favour of the German Government for a grant received for the purchase of equipment. The grant is subject to Kuhne employing a certain number of people in 5 years whereby if the condition is not fulfilled, the grant will have to be paid back.

The carrying value of cash and cash equivalents balance approximates the fair value due to the short-term nature.

	2023 R'000	2022 R'000
Current assets	63 414	41 728
Current liabilities	-	(5 894)
	63 414	**35 834**

14. Share capital

	2023 R'000	2022 R'000
Authorised share capital		
2 000 000 000 Ordinary shares of R0.00005 each	100	100

1 873 160 158 (2022: 1 872 701 781) unissued ordinary shares are under the control of the directors. This authority remains in force until the next annual general meeting. The issued share capital is fully settled. A total of 0.5 million (2022: 1.3 million) shares were repurchased at an average price of R4.20 (2022: R4.19) and cancelled.

Issued share capital	Number of shares 2023	Number of shares 2022	Share capital 2023 R'000	Share capital 2022 R'000	Share premium 2023 R'000	Share premium 2022 R'000
Opening balance	127 298 219	127 298 219	6	6	227 962	221 497
Repurchased shares during year	(458 377)	-	*	-	(1 928)	-
Share options exercised during the year	-	-	-	*	-	-
	126 839 842	127 298 219	6	6	226 034	221 497
Treasury shares	(528 044)	(352 585)	*	*	(1 257)	6 465
	126 311 798	**126 945 634**	**6**	**6**	**224 777**	**227 962**

* Nominal amount – amount smaller than R1 000.

15. Share-based payments

Equity settled share-based payments (LTiP).

Share Options - Group 2023	Number '000	Weighted exercise price	Total IFRS charge R'000
Outstanding at the beginning of the year	5 089	-	21 068
Options granted during the year	6 013	-	17 980
Options lapsed during the year	(1 963)	-	(6 205)
Options adjusted to fair value based vesting conditions being met	5 296	-	5 587
Total options at the end of the year	**14 435**	-	**38 430**

Share Options Group 2022	Number '000	Weighted exercise price	Total IFRS charge R'000
Outstanding at the beginning of the year	17 835	0.24	35 768
Options granted during the year	5 089	-	21 068
Options vested during the year	(9 618)	0.50	(19 144)
Options adjusted to fair value based vesting conditions being met	(8 217)	-	(16 624)
Total options at the end of the year	**5 089**	**-**	**21 068**

Outstanding options (exercise price R0)	Exercise date within one year	Exercise date from two to five years	Total
Options Tranche September 2020	4 756	-	4 756
Options Tranche September 2021	-	4 371	4 371
Options Tranche September 2022	-	5 308	5 308
	4 756	**9 678**	**14 435**

Information on options granted

Fair value was determined by using the Black - Scholes model. The following inputs were used:

	Tranche Sept 2020	Tranche Sept 2021	Tranche Sept 2022
Exercise price	R0.00	R0.00	R0.00
Spot price	R 2.08	R 4.14	R 4.14
Period 3	6.73%	6.25%	6.25%
Dividend yield	0%	0%	0%
Attrition	0%	0%	0%
Number of options allocated	5 296	5 089	6 013

Share options were granted to certain employees that entitled them with the option to purchase Alaris Holdings Limited shares at the exercise price per the scheme. During the prior year (FY22) the Company delisted from the JSE AltX and the share vesting accelerated on a weighted basis. The remaining shares for the 2020 tranche will vest in September 2023.

During the year new options were issued to employees. The options life is 36 months and will vest in one tranche in September 2025 if the performance vesting criteria are met. The employees have 90 days after each trance vests to exercise their options.

The volatility was obtained by calculating the change in share price based on a 30-day volume weighted average price.

A total expense of R14 688 000 (2022: R1 468 000) related to equity-settled share-based payments transactions was recognised in profit or loss.

16. Loans and borrowings

	2023 R'000	2022 R'000
Instalment sales liability		
Standard Bank of South Africa Limited		
Instalment sale agreement for Plant & Machinery secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 0.5% and is repayable in 60 instalments of R55 560 per month. The net carrying value of the assets pledged as security R1 486 621(2022: R1 345 499).	1 445	1 042
Androscoggin Bank		
Instalment sale agreement for Motor vehicles secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime plus 1% in the USA and is repayable in 48 instalments of R10 631 per month. The net carrying value of the asset is R125 412.	42	141
Androscoggin Bank		
Instalment sale agreement for Plant & Machinery secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime plus 1% in the USA and is repayable in 60 instalments of R29 502 per month. The net carrying value of the asset is R792 271.	845	978
NatWest Bank		
Instalment sale agreement for Plant & Machinery secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime plus 7.43% in the UK and is repayable in 36 instalments of R126 182 per month. The net carrying value of the asset is R1 175 942	3 776	1 071
ELO Bank		
Loan agreement entered by Cojot for the purchase of Freehold property in Kuhne. Refer to Note 30. The loan bears interest in Finland at 1.7% and is repayable in half yearly instalments of R1 029 550 over a 60-month period. The net carrying value of the asset is R21 192 292.	8 236	-
	14 344	**3 232**
Minimum instalment sales payments due		
– within one year	5 048	1 314
– in second to fifth year inclusive	10 356	2 287
	15 404	**3 601**
Less: Future finance charges	(1 060)	(369)
Present value of minimum instalment sales payments	**14 344**	**3 232**
Present value of minimum instalment sales payments due:		
– within one year	4 468	1 117
– in second to fifth year inclusive	9 876	2 115
	14 344	**3 232**

17. Lease Liabilities

	2023 R'000	2022 R'000
Non-current liabilities		
At amortised cost	12 449	13 387
Current liabilities		
At amortised cost	4 962	5 910
Minimum lease payments due:		
– within one year	5 457	6 535
– in the second to fifth year inclusive	9 779	10 159
– after five years	3 727	4 500
	18 963	**21 194**
Less future finance charges	(1 552)	(1 897)
	17 411	**19 297**
Present value of minimum lease payments due:		
– within one year	4 962	5 910
– in the second to fifth year inclusive	8 845	9 099
– after five years	3 604	4 288
	17 411	**19 297**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

18. Trade and other payables

	2023 R'000	2022 R'000
Financial liabilities		
Trade payables	31 898	35 649
Other accrued expenses	14 074	9 602
	45 972	**45 251**
Non-financial liabilities		
Payroll accruals	36 032	15 362
VAT payable	1 254	-
Deferred revenue	5 651	9 379
Product warranty provision	1 174	388
Income received in advance	16 483	10 205
	60 594	**35 334**
Total trade and other payables	**106 566**	**80 585**

Fair value of trade and other payables

The fair value of trade payables approximates its carrying value, due to the short-term nature.

	2023 R'000	2022 R'000
Product warranty provision		
Opening balance	388	393
Provisions raised during the year	653	388
Utilised during the year	-	(392)
FCTR	133	(1)
Closing balance	**1 174**	**388**

19. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2023 R'000	Amortised cost	Leases	Total
Trade and other payables	45 972	-	45 972
Loans and borrowings	-	14 344	14 344
Lease liabilities	-	17 411	17 411
	45 972	**31 755**	**77 727**

2022 R'000	Amortised cost	Leases	Total
Trade and other payables	45 251	-	45 251
Loans and borrowings	-	3 232	3 232
Lease liabilities	-	19 297	19 297
Bank overdraft	5 894	-	5 894
	51 145	**22 529**	**73 674**

The fair value of the financial liabilities approximates their carrying values at year end.

20. Revenue

	2023 R'000	2022 R'000
Fully configured products *	453 590	311 021
Newly developed products **	110 787	41 992
	564 377	**353 013**

The geographical split of revenue is disclosed in note 3 in segmental reporting. No information is provided about remaining performance obligations at 30 June 2023 that have an original expected duration of one year or less, as allowed by IFRS 15.

* R0 million (2022: R2.6 million) of revenue has been recognised over time, the reminder e at a point in time.

** R111.0 million (2022: R42.0 million) of t revenue has been recognised over time, the remainder at a point in time.

21. Other income

Other income consists of the following:

	2023 R'000	2022 R'000
Profits of foreign exchange	839	1 629
RDEC tax receivable *	-	1 140
Other sundry income	385	551
	1 224	**3 320**

* During the prior year Linwave obtained a research and development expenditure credit ("RDEC"). Some of the research and development costs were claimed under the SME tax scheme included as a credit in income taxes and some expenses were claimed under the RDEC scheme which needs to be included as other income.

22. Trading operating profit

	2023 R'000	2022 R'000
Trading operating profit for the year is stated after accounting for the following:		
Amortisation of intangible assets	7 918	6 496
Depreciation on plant and equipment	7 042	4 673
Depreciation on right-of-use assets	5 997	5 573
Employee costs	205 099	151 403
Share-based payment expense	14 688	1 468
Foreign exchange losses	3 626	236
Foreign exchange gains*	(4 465)	(1 629)
Consultants	7 678	6 659
Professional and advisory services	5 074	8 866
Expected credit loss	2 169	3 312

* Net Foreign exchange gains were included in other income (note 21).

23. Finance income

	2023 R'000	2022 R'000
Interest income on cash and cash equivalents	1 350	439
	1 350	**439**

24. Finance costs

	2023 R'000	2022 R'000
Interest expenses on financial liabilities at amortised cost	889	190
Interest on lease liabilities	555	862
	1 443	**1 052**
Less: Interest on lease liabilities included in cost of sales	(97)	(154)
	1 346	**898**

25. Taxation

	2023 R'000	2022 R'000
Current tax	**(21 214)**	**4 046**
Current year	(21 214)	4 246
Prior year adjustment	-	(200)
Deferred tax	**6 716**	**(982)**
Current year	6 688	1 514
Change in tax rate	27	(1 442)
Prior year adjustment	-	(1 054)
	(14 499)	**3 064**

Reconciliation of the tax expense	2023 R'000	2022 R'000	2023 %	2022 %
Profit before taxation	84 148	21 862		
Tax at the applicable tax rate of 27%, 45%, 28.05%,20% and 25% (2022: 28%,45%, 28.05%, 20% and 19%)	21 258	10 590	25.3	48.4
Tax effect of adjustments on taxable income				
Non-deductible expenses				
– Legal and consulting fees	210	1 537	0.2	7.0
– Non-deductible due to apportionment		489	-	2.2
– Other non-deductible expenses	2 586	593	3.1	2.7
Non-taxable income				
- Capital gains exclusion	(260)	-	(0.3)	-
- Tax losses utilised		449	-	2.1
Prior year adjustment	(2 825)	(1 975)	(3.4)	(9.0)
SARS Interest	11	-	0.0	
Change in tax rate	(27)	(1 442)	(0.0)	(6.6)
Share-based payment – permanent in nature		(1 138)	-	(5.2)
Deferred tax asset not recognised – Alaris Investment Holdings UK Ltd	1 660	(440)	2.0	(2.0)
Additional research and development tax deduction	(8 113)	(5 599)	(9.6)	(25.6)
	14 499	**3 064**	**17.2**	**14.0**

26. Earnings per share

	2023 R'000	2022 R'000
Issued ordinary shares at closing per share register	126 839 842	127 298 219
Less: Treasury shares (closing balance)	(528 044)	(352 585)
Net number of shares issued outside the Group	**126 311 798**	**126 945 634**
Issued ordinary shares at closing per share register	126 839 842	127 298 219
Less: Treasury shares (weighted)	(512 661)	(3 231 004)
Basic weighted average number of shares	**126 327 181**	**124 067 215**
Nil cost treasury shares purchased in the market	512 661	352 585
Diluted weighted average number of shares	**126 839 842**	**124 419 800**

	2023 R'000	2022 R'000
Profit for the year	66 533	18 798
Basic earnings	**66 533**	**18 798**
Impairment of subsidiary	-	8 938
Headline earnings	**66 533**	**27 736**
Diluted earnings	**66 533**	**18 798**
Diluted Headline earnings	**66 533**	**27 736**
Basic earnings per ordinary share (cents)	52.67	15.15
Diluted basic earnings per ordinary share (cents)	52.45	15.11
Headline earnings per ordinary share (cents)	52.67	22.36
Diluted headline earnings per ordinary share (cents)	52.45	22.29

27. Directors' emoluments

2023 Executive	Emoluments R'000	Bonus earned to 30 June - payable post year end R'000	Other benefits* R'000	Total short-term remuneration R'000	Value of share options exercised R'000	Total remuneration R'000	Number of outstanding share options not vested '000
J Dresel	3 811	1 905	116	**5 832**	-	**5 832**	3 434
GT Heyman	2 501	1 041	99	**3 642**	-	**3 642**	2 253
ES Müller - (resigned 3 May 2023)	1 747	-	87	**1 834**	-	**1 834**	-
	8 059	**2 947**	**302**	**11 308**	**-**	**11 308**	**5 687**

* Other benefits include a defined contribution expense of R41 995, R9 323 and R32 719 for J Dresel, GT Heyman and ES Müller respectively.

Non-executive	Compensation R'000	Director's fees in subsidiary R'000	Total R'000
CP Bester	360	-	360
RC Willis	248	-	248
CP van der Merwe	232	140	372
CB Neser	128	-	128
P Anania - (resigned 1 December 2022)	136	-	136
	1 104	**140**	**1 244**

2022 Executive	Emoluments R'000	Bonus earned to 30 June - payable post year end R'000	Other benefits* R'000	Total short-term remuneration R'000	Value of share options exercised R'000	Total remuneration R'000	Number of outstanding share options not vested '000
J Dresel	3 612	-	77	**3 689**	9 168	**12 857**	1 056
GT Heyman	2 371	-	83	**2 454**	7 092	**9 546**	693
ES Müller	2 000	-	62	**2 062**	1 132	**3 194**	585
	7 983	**-**	**222**	**8 205**	**17 392**	**25 597**	**2 334**

* Other benefits include a defined contribution expense of R13 200, R8 500 and R6 900 for J Dresel, GT Heyman and ES Müller respectively.

Non-executive	Compensation R'000	Director's fees in subsidiary R'000	Director's fees for delisting R'000	Total R'000
CP Bester	392	-	45	437
RC Willis	235	-	-	235
CP van der Merwe	220	133	45	398
CB Neser	122	-	-	122
P Anania	311	-	38	349
	1 280	**133**	**128**	**1 541**

27. Directors' emoluments (continued)

Prescribed officers

2023 Executive	Emoluments R'000	Bonus accrued up to 30 June – payable post year-end R'000	Other benefits R'000	Total short-term remuneration R'000	Value of share options exercised R'000	Total remuneration R'000	Number of outstanding share options not vested '000
S Lentonen	2 641	1 253	174	4 068		4 068	2 171
I Duke	2 682	604	181	3 467		3 467	477
C Vale	2 213	1 093	185	3 490		3 490	1 946
G Wenhold – (appointed 1 February 2023)	696	39	-	736		736	-
C Buckenham – (appointed 11 May 2023)	413	146	76	636		636	-
J Detert	2 759	509	253	3 521		3 521	816
	11 404	**3 644**	**869**	**15 917**	**-**	**15 917**	**5 410**

2022 Executive	Emoluments R'000	Bonus earned up to 30 June – payable sub-sequent to year end R'000	Other benefits R'000	Total short-term remun-eration R'000	Value of share options exercised R'000	Total remuneration R'000	Number of outstanding share options not vested '000
S Lentonen	2 239	-	149	2 389	6 024	8 413	640
I Duke	1 449	580	536	2 565	-	2 565	213
C Vale	2 033	-	35	2 068	4 024	6 092	594
J Detert	2 001	-	211	2 212	1 714	3 926	-
	7 722	**580**	**787**	**9 089**	**11 762**	**20 851**	**1 447**

The Group does not provide non-cash benefits to directors and executive officers and does not contribute to post-employment defined benefits on their behalf.

The director's direct and indirect shareholding of the Company control 59.25% (2022: 59.19%) of the voting shares of the Company.

28. Cash generated from operations

	2023 R'000	2022 R'000
Profit for the year	66 533	18 798
Adjustments for:		
Tax expense	14 499	3 064
Unrealised (profit)/loss on foreign exchange	743	53
Depreciation and amortisation	20 957	16 742
Finance income	(1 350)	(439)
Finance costs	1 346	1 052
Share-based payment expense	14 688	1 468
RDEC tax receivable included in other income	-	(1 140)
Foreign currency translation reserve	15 884	1 970
STT	(2)	-
Impairment of subsidiaries	-	8 938
Changes in working capital:		
(increase) in inventories	(32 300)	(29 168)
(Increase) in trade and other receivables	(43 395)	(38 940)
Increase in trade and other payables	19 169	18 683
	76 772	**1 081**

29. Tax paid

	2023 R'000	2022 R'000
Balance at beginning of the year	5 220	1 958
Current tax for the year recognised in profit or loss	(21 214)	(4 246)
Overprovision of prior year tax	(0)	200
Interest received, STT	133	-
RDEC tax receivable included in other income	-	1 140
Exchange rate movements	(756)	186
Balance at end of the year	2 511	(5 220)
	(14 106)	**(5 982)**

30. Business combination

On 1 July 2022, the Company concluded the acquisition of 100% of the shareholding in Kuhne electronic GmbH ("Kuhne") through its wholly owned subsidiary COJOT OY ("Cojot").

The purchase consideration for the acquisition was €1.6 million for the company and €1.1 million for the building in which Kuhne is trading. €1.6 million was paid in cash on 30 June 2022 when the final conditions precedent was satisfied. The €1.6 million was recognised as sundry debtors in the statement of financial position for the year ended 30 June 2022. The €1.1 million for the building was only payable when the property transfer was registered, which completed in September 2022. A working capital adjustment of €0.3 million was payable by Cojot to the sellers due to the actual amount of net working capital that exceeded the estimated amount of net working capital. The seller was entitled to an earn-out payment in addition to the purchase price and working capital adjustment. The earn-out amounted to 50% of the profit after tax generated by Kuhne from 1 July 2022 until 31 December 2022, to a maximum of €150 000. The earn-out for the period to 31 December 2022 was €22 872 which was settled in cash during March 2023.

The cash paid for the acquisition was financed through available cash resources in the Group. The freehold building was financed through a combination of cash and a €500 000 loan obtained from a financial institution.

Identifiable assets and liabilities acquired consist of:	Recognised values R'000	Fair value adjustments R'000	Carrying amount R'000
Plant and equipment	23 428	-	23 428
Intangible Assets	891	-	891
Inventories	13 084	-	13 084
Trade and other receivables	3 002	-	3 002
Cash and cash equivalents	2 360	-	2 360
Loans	(8 515)		(8 515)
Trade and other payables	(6 822)	-	(6 822)
Total identifiable net assets	**27 427**	**-**	**27 427**
Customer relationships			374
Goodwill			15 316
Total purchase consideration			**43 117**
less: contingent consideration			(365)
less: cash acquired			(2 360)
Amount prepaid in prior financial year			(27 144)
Net cash outflow			**13 248**

Impact of Kuhne acquisition on revenue and profit for the year (Excluding the amortisation of customer relationships):	Revenue R'000	Profit after tax R'000
Reported per statement of profit and loss	51 787	300

31. Related parties

Relationships	
Subsidiaries	Alaris Antennas Proprietary Limited - 100% (2022: 100%)
	COJOT Oy – 100% (2022: 100%) *
	mWAVE Industries LLC – 100% (2022: 100%) *
	Alaris Investment Holdings UK Limited – 100% (2022: 100%) *
	Linwave Technology Limited – 100% (2022: 100%)*
	Kuhne Electronics GmBH – 100% (2022: 0%)*
	Alaris US Incorporated (dormant) – 100% (2022: 100%) *
Trusts under entity's control	Alaris Holdings Limited Share Incentive Trust
Shareholder with significant influence	Tadvest Limited
	Conexus Investment Fund
Members of key management	CP Bester
	J Dresel
	GT Heyman
	CJ Buckenham
	C Vale
	RC Willis
	C van der Merwe
	L Sparks
	CB Neser
	S Lentonen
	J Detert
	I Duke
	G Wenhold

* Foreign subsidiaries

Key management personnel are those having authority and responsibility for planning and controlling the activities of the Group, directly or indirectly, including any director of the Group. The directors of the Group have been identified as key management personnel of the Group.

32. Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the loans disclosed in notes 16 and 17, cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of changes in equity.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as loans (current and non-current) less cash and cash equivalents as shown in the statement of financial position. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Currently the Group is negatively geared since the Group does not have large long-term liabilities.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group applies an enterprise-wide risk management framework to assess and report on risks including financial risks.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Cash flow forecasts are prepared, and the utilisation of borrowing facilities are monitored on a regular basis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their fair values due to their short-term nature.

At 30 June 2023	Less than 1 year R'000	Between 2 and 5 years R'000	After 5 years R'000
Loans and borrowings	4 468	9 876	-
Lease liabilities	4 962	8 845	3 604
Trade and other payables	45 972	-	-
At 30 June 2022			
Loans and borrowings	1 117	2 115	-
Lease liabilities	5 910	9 099	4 288
Trade and other payables	45 251	-	-
Bank overdraft	5 894	-	-

Credit risk

Credit risk arises from cash deposits, cash equivalents, derivative financial instruments and trade receivables. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with the limits set by the Board. The utilisation of credit limits is regularly monitored.

Financial assets which expose the Group to credit risk at the reporting date were as follows:

	2023 R'000	2022 R'000
Financial instruments		
Cash and cash equivalents	63 414	41 728
Trade receivables	150 080	105 322
	213 494	**141 156**

32. Risk management (continued)

Interest rate risk

The Group's exposure to interest rate risk mainly arises from financial liabilities / assets. Financial liabilities and assets consist of floating rate and non-interest-bearing components. The table below analyses the breakdown of financial instruments by type of interest rate:

Financial assets	2023 Floating R'000	2022 Floating R'000
Cash and cash equivalents	63 414	35 834
Financial liabilities		
Loans and borrowings	(14 344)	(3 232)
Lease liabilities	(17 411)	(19 297)
	31 659	**13 305**

Sensitivity analysis

A movement in interest rates of 0.5%, with all other variables remaining constant, would increase/(decrease) profit after tax and retained earnings by R 114 478 (2022: R64 482).

A movement in interest rates of 1.0%, with all other variables remaining constant, would increase/(decrease) profit after tax by R 228 956 (2022: R128 963). The analysis has been performed for floating interest rate financial liabilities. The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of the changing of their cash flows and therefore in terms of the impact on net expenses.

	2023		2022	
	0.5% increase R'000	1% increase R'000	0.5% increase R'000	1% increase R'000
Cash and cash equivalents	237	474	151	303
Overdraft, loans and borrowings	(56)	(112)	(12)	(24)
Lease liabilities	(66)	(133)	(75)	(150)
	114	**229**	**64**	**129**

Foreign exchange risk

The Group's statement of financial position consists of foreign monetary assets and liabilities at any given time which exposes the Group to foreign exchange risk. The Board has established a policy for the Group to manage their foreign exchange risk against their functional currency. The Group is required to economically hedge their net foreign exchange risk exposure, if greater than R3 million, with financial institutions where necessary. Net foreign exchange exposure is defined as foreign monetary assets less foreign monetary liabilities. The Group uses forward exchange contracts and derivatives to hedge net exposure within the limit approved by the Board.

The Group evaluates the net foreign exposure held in South Africa weekly and either increases or decreases the hedge as appropriate. Under specific circumstances the Group may have net foreign exposure of greater than R3 million. This typically arises when the Group is holding foreign cash which has been earmarked for a foreign acquisition. The Group measures currency futures at fair value using inputs as described in level 1 of the fair value hierarchy.

Sensitivity analysis

At 30 June 2023, if the currency had weakened/strengthened by 10% against the US dollar, with all other variables held constant, the impact on profit after tax and retained earnings for the year would have been R5 933 389 (2022: R2 367 666) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables and foreign exchange losses or gains on translation of US dollar denominated trade payables.

At 30 June 2023, if the currency had weakened/strengthened by 10% against the Euro, with all other variables held constant, the impact on profit after tax and retained earnings for the year would have been R5 063 419 (2022: R5 190 498) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Euro denominated trade receivables.

At 30 June 2023, if the currency had weakened/strengthened by 10% against the GBP, with all other variables held constant, profit after tax and retained earnings for the year would have been R 876 585(2022: R376 426) higher/lower, mainly as a result of foreign exchange gains or losses on translation of GBP denominated trade receivables.

32. Risk management (continued)

Foreign currency exposure at the end of the year

The Group reviews its net foreign currency exposure, including commitments on an ongoing basis.

	2023 *FC'000	2023 R'000	2022 *FC'000	2022 R'000
Trade receivables – USD	$5 298	100 251	$1 311	21 313
Trade receivables – EUR	€ 3 110	63 746	€3 459	58 681
Trade receivables – GBP	£863	19 578	£615	24 827
Cash and cash equivalents – USD	$938	17 759	$809	13 145
Cash and cash equivalents – EUR	€ 1 118	22 706	€1 237	20 991
Cash and cash equivalents – GBP	£406	9 693	£810	3 487
Trade payables – USD	($1 971)	(37 301)	($617)	(1 574)
Trade payables – EUR	(€ 757)	(15 478)	(€403)	(7 582)
Trade payables – GBP	(£766)	(18 297)	(£162)	(23 085)

Exchange rates used for conversion of foreign items were:

Closing exchange rate used for conversion of FC to R1:	2023	2022
USD	18.92	16.25
EUR	20.59	16.97
GBP	23.89	19.74
Average exchange rates used during the year		
USD	17.77	15.21
EUR	18.60	17.15
GBP	21.39	20.24

* Foreign currency ("FC")

33. Going concern

The Group generated a net profit for the year to 30 June 2023 of R67 million. At that date, the Group had cash and cash equivalents of R63 million. The current assets exceeded current liabilities by R220 million.

The consolidated financial statements for the year ended 30 June 2023 have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

34. Events after the reporting period

On the 4 of August 2023, Alaris Antennas (Pty) Ltd entered into a new 5 year lease agreement with the lessor, effective from the 1 August 2023. Alaris has a guarantee with the bank of R505,830 in favour of the lessor for the duration of the lease.

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

SHAREHOLDERS' INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

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")

Notice is hereby given that an Annual General Meeting ("AGM" or the "Meeting") of shareholders of the Company will be held on Thursday 30 November 2023 at 12:00 at the registered office of the Company at 1 Travertine, N1 Business Park, Old Johannesburg Road, Centurion, 0157.

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

If you are in doubt as to what action to take in regard to this notice, please consult your banker, accountant, attorney or other professional adviser immediately and refer to the instructions set out in the conclusion of this notice.

Agenda

- Presentation of the audited annual financial statements of the Company, including the reports of the Directors and the Audit and Risk Committee for the year ended 30 June 2023. These annual financial statements, including an unmodified audit opinion, may be requested and obtained in person, at no charge, at the registered office of Alaris during office hours. The Integrated Annual Report ("IAR"), of which this notice forms part thereof, contains the summarised Group financial statements and the aforementioned Directors' reports.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions.

Shareholders are requested to note the following dates:

- Record date to receive notice of the Annual General Meeting is 9 November 2023
- Last date to trade to be eligible to vote is 24 November 2023
- Record date to be eligible to vote is 24 November 2023
- Last date for lodging forms of proxy is 28 November 2023

AGM participants (including shareholders and proxies) are required to provide reasonable identification before being entitled to attend or participate at the Meeting. Suitable forms of identification include valid identity documents, driver's licence, and passport.

Report of the Social and Ethics Committee

The Company's Social and Ethics report included on pages 28 to 29 of the Integrated Annual Report will serve as the Social and Ethics Committee's report to the Company's shareholders at the AGM on the matters within its mandate. Any specific questions to the Committee may be sent to the Company Secretary prior to the Meeting.

Note:

For any of the ordinary resolutions numbers 1 to 8 (inclusive) are to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. The voting percentages required to pass the remaining resolutions are set out below such respective resolutions.

1. Election, Retirement and Re-election of Directors

1.1 Ordinary resolution number 1: Election of Director – Mr L Sparks

Resolved that shareholders elect, by way of a separate vote, Mr L Sparks as an alternate director to Mr C Neser.

A brief curriculum vitae of the Director offering himself for -election is contained on page 18 of the IAR.

Reason and effect of ordinary resolution 1

The reason for ordinary resolution 1 is that shareholders are required to confirm the appointment of directors in terms of the Company's Memorandum of Incorporation ("MOI")

1.2. Ordinary resolution number 2: Re-election of Director who retires by rotation – Mr Richard Willis

Resolved that shareholders re-elect, by way of a separate vote, Mr Richard Willis as a Non-Executive Director, who retires by rotation in terms of section 24.7 of the Company's MOI, and who has offered himself for re-election.

A brief curriculum vitae of the Director offering himself for re-election is contained on page 17 of the IAR.

Reason for and effect of ordinary resolution number 2

The reason for ordinary resolution number 2 is that Mr Richard Willis is obliged to retire by rotation at this annual general meeting in accordance with the provisions of the Company's Memorandum of Incorporation ("MOI"). Having so retired, is eligible for re-election as a director.

2. Ordinary resolution number 3: Re-Appointment of External Auditors and Designated Audit Partner

Resolved that KPMG Incorporated, be and is hereby re-appointed as the Independent External Auditor of the Company and Mr TG Cheadle as the individual designated Auditor of the Company, for the ensuing year on the recommendation of the Audit and Risk Committee of the Company, and that shareholders authorise the Board to determine the remuneration of the Auditors.

Reason for and effect of ordinary resolution number 3

The reason for ordinary resolution number 3 is that the Company, being a public company, must have its financial results audited and such, the Auditor must be appointed or reappointed each year at the AGM of the Company as required by the Companies Act.

3. Re-appointment of the members of the Audit and Risk Committee of the Company

Note: For the avoidance of doubt, all references to the Audit and Risk Committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

3.1. Ordinary resolution number 4

Resolved that, subject to the passing of ordinary resolution 1, Mr. Luke Sparks, being eligible, be and is re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until conclusion of the next AGM of the Company.

3.2 Ordinary resolution number 5

Resolved that, subject to the passing of ordinary resolution number 2, Mr Carel van der Merwe, being eligible, be and is re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until conclusion of the next AGM of the Company.

3.3 Ordinary resolution number 6

Resolved that subject to the passing of ordinary resolution 1, Mr Richard Willis, being eligible, be and is re-appointed as a member and Chairperson of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the conclusion of the next AGM of the Company.

Reason for and effect of ordinary resolution numbers 4 to 6

The reason for ordinary resolution numbers 4 to 6 (inclusive) is that the Company, being a public company, must appoint an Audit Committee and the Companies Act requires that Independent Non-Executive Directors of the Company be appointed or re-appointed, as members of such Audit Committee, as the case may be, at each Annual General Meeting. Brief curriculum vitae of the director(s) up for re-election to the Audit and Risk Committee appear on pages 17 to 18 of the Integrated Annual Report.

4. Ordinary resolution number 7: Authority to sign all required documents

Resolved that, subject to the passing of the ordinary and special resolutions at the AGM, any Director of the Company or the Company Secretary shall be and is hereby authorised to sign all documentation and perform all acts which may be required to give effect to such ordinary and special resolutions.

Reason for and effect of ordinary resolution number 7

The resolution grants authority to any Director or the Company Secretary to carry out, execute all documentation and do all such things as he may in his discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary resolutions above and special resolutions below.

5. **Special resolution number 1: General authority to acquire (repurchase) shares**

Resolved that the Company and/or any subsidiary be and is hereby authorised by way of a specific approval as contemplated in section 48, read with section 46 of the Companies Act, to acquire from time to time issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, but subject to the MOI of the Company and the provisions of the Companies Act provided that:

(a) this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution number 1, whichever period is shorter;

(b) the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the beginning of the financial year;

(c) the Company has been given authority by its MOI;

(d) at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any such acquisition;

(e) the aggregate of such acquisitions by subsidiaries of Alaris may not result in such subsidiaries holding more than 10% of Alaris' issued share capital;

(f) a resolution has been passed by the Board of Directors confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity tests and that, since the tests were done, there have been no material changes to the financial position of the Company and the Group; and

Although no such repurchases are currently being contemplated, the Directors undertake that they will not effect a general repurchase of shares as contemplated above unless the following can be met for a period of 12 months after the date of this notice:

- the Company and the Group would in the ordinary course of their business be able to pay debts;
- the consolidated assets of the Company and the Group would exceed the consolidated liabilities of the Company and the Group respectively, such assets and liabilities being fairly valued and recognised and measured in accordance with the accounting policies used in the financial statements;
- the issued capital and reserves of the Company and the Group would be adequate for the purposes of the Company's and the Group's business;
- the Company's and the Group's working capital would be sufficient for ordinary business purposes; and
- a resolution by the Board of Directors will have been passed that authorised the repurchase, that Alaris and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.

Litigation statement

The directors, whose names appear on pages 17 to 18 of the Integrated Annual report of which the Notice of AGM forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

Directors' responsibility statement

The Directors, whose names appear on pages 17 to 18 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law.

Material changes

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the Audit and Risk Committee report and up to the date of the Notice of Annual General Meeting.

The Directors have no specific intention, at present, for the Company or its subsidiaries to acquire any of the Company's shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

The Directors are of the opinion that it would be in the best interest of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company should the market conditions, tax dispensation and price justify such an action.

Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

Reason for and effect of special resolution number 1

The reason and effect of special resolution number 1 is to grant the Company general approval to acquire its own issued shares on such terms, conditions and in such amounts determined from time to time by the Directors of the Company by the limitations set out above.

- The Directors of the Company have no specific intention to effect the provisions of special resolution number 1 but will, however, continually review this position having regard to prevailing circumstances.
- The intention of the Company and/or its subsidiaries is to utilise the general authority to repurchase if at some future date the cash resources of the Company are in excess of its requirements.
- The method by which the Company and any of its subsidiaries intends to repurchase its ordinary shares and the date on which such repurchase will take place, have not yet been determined.

The percentage of voting rights that will be required for this resolution to be adopted is more than 75% of the votes exercised on the resolution.

6. **Special resolution number 2: Remuneration of Non-executive Directors**

Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below (exclusive of value-added tax), provided that this authority will be valid until the next AGM of the Company.

Type of fee (per annum)	Approved fee for the year ended 30 June 2024	Approved fee for the year ended 30 June 2023
Board		
Chair*	R386,922	R359 928
Member	R98,413	R91 547
Audit Committee		
Chair	R118,309	R110 055
Member	R66 819	R66 819
International member**	n/a	€7 909
Remuneration and Nomination Committee* **		
Chair	R54,675	R50 861
Member	R26,916	R25 038
Social and Ethics Committee		
Chairperson	R37,618	R34 994
Member	R25,079	R23 329
Hourly remuneration for services of non-executive directors' in excess of their attendance at regular Board and Committee meetings, payable with pre-approval at the Board's discretion. The independent non-executive director will be remunerated should their services be used at the hourly rate:	R2 529	R2 500

*The Chair of the Board does not receive additional remuneration if they are a member of, or chair of, any subcommittee of the Board.

** There is no longer an international member on the Audit and Risk Committee

*** The Board have combined the functions of the Remuneration and Nomination Committee with effect 11 October 2023.

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its Non-executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 2 is that the Company will be able to pay its Non-executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next Annual General Meeting of the Company.

The percentage of voting rights that will be required for this resolution to be adopted is more than 75% of the votes exercised on the resolution.

7. Special resolution number 3: General approval to provide financial assistance for subscription or purchase of ordinary shares in related or interrelated entities in terms of section 44 of the Companies Act

Resolved that, in terms of and subject to the provisions of section 44 of the Companies Act, the shareholders of the Company hereby approve, as a general approval, the giving by the Company of financial assistance, by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or any affiliate, or for the purchase of any ordinary shares of the Company or its affiliates (including, without limitation, the giving of a guarantee to any subscriber, holder or purchaser of preference shares in any affiliate, as security for such affiliate's obligations under such preference shares), as set out in section 44 of the Companies Act, which approval shall be valid for a period of 2 (two) years from the date that this special resolution is passed.

The shareholders of the Company hereby resolve that the Board may, subject to compliance with the requirements of the MOI and the Companies Act, each as presently constituted and as amended from time to time, authorise the Company to provide financial assistance as contemplated in section 44 of the Companies Act, on such terms and conditions and for such amounts as the Board may determine.

It is hereby noted that the Company may from time to time provide financial assistance in terms of section 44 of the Companies Act, by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company (as contemplated in the Companies Act, including, without limitation, any present or future subsidiaries of the Company, its holding company and subsidiaries of its holding company and/or any other company or corporation that is or becomes related or interrelated to the Company) (collectively for purposes of this resolution, the "affiliates"), or for the purchase of any ordinary shares of the Company or its affiliates, on such specific terms as may be authorised by the Board.

It is further noted that the Board of Directors of the Company shall not authorise any financial assistance contemplated in such special resolution unless the Board:

(a) is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity tests contemplated in section 4 of the Companies Act (read with section 44(3)(b)(i));

(b) is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company (section 44(3)(b)(ii)); and

(c) is satisfied that any applicable conditions or restrictions in respect of the granting of financial assistance set out in the Company's MOI have been satisfied (section 44(4)).

In compliance with the requirements of the Companies Act the Board is seeking a general authority from shareholders to cause the Company to provide financial assistance for subscription and purchase of ordinary shares as set out in section 44 of the Companies Act.

Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the Board a general authority in terms of the Act to cause the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or any affiliate, or for the purchase of any ordinary shares of the Company or its affiliates, as set out in section 44 of the Act in such amounts and on such terms and conditions as may be determined by the Board. The passing of special resolution number 3 will have the effect that the Board will have the flexibility, subject to the requirements of the MOI and the Companies Act, to provide financial assistance as set out in section 44 of the Companies Act should it be in the interests of the Company to do so.

This general authority shall be valid for a period of 2 (two) years from the date of approval of this special resolution unless such general authority is varied or revoked by special resolution of shareholders prior to the expiry of such 2 (two) year period.

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% of the votes exercised on the resolution.

8. Special resolution number 4: Direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) to any company related or interrelated to the Company or to any juristic person who is a member of or related to any such companies

Resolved that, as a general approval, the Company may, in terms of section 45(3)(a)(ii) of the Companies Act and subject to compliance with the remainder of section 45 of the Companies Act, provide any direct or indirect financial assistance that the Board of Directors of the Company may deem fit to any related or interrelated company or to any juristic person who is a member of or related to any such companies ("related" and "interrelated" will herein have the meaning so attributed in section 2 of the Companies Act) (on the terms and conditions, to the recipient(s), in the form, nature and extent, and for the amounts that the Board of Directors of the Company may determine from time to time).

Reason for and effect of special resolution number 4

The reason for and effect of special resolution number 4, if adopted, will be to confer authority on the Board of Directors of the Company to authorise financial assistance to companies related or interrelated to the Company, or to any juristic person who is a member of or related to any such companies generally as the Board of Directors of the Company may deem fit, on the terms and conditions, and for the amounts that the Board of Directors may determine from time to time, for a period of two years after this AGM of the Company.

The granting of the general authority would obviate the need to refer to each instance of provision of financial assistance in the circumstances contemplated in this special resolution for ordinary shareholder approval.

This general authority would assist the Company with, inter alia, making intercompany loans to subsidiaries of the Company, or interrelated companies, as well as granting letters of support and guarantees in appropriate circumstances.

This would avoid undue delays and attendant adverse financial impact on subsidiaries, or interrelated companies, as it would facilitate the expeditious conclusion of negotiations.

In the event that this special resolution is adopted by the ordinary shareholders of the Company, thereby conferring general authority on the Board of Directors of the Company to authorise financial assistance to companies related or interrelated to the Company or to any juristic person who is a member of or related to any such companies, then the Board of Directors of the Company shall not authorise any financial assistance contemplated in such special resolution unless the Board:

(a) is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test contemplated in section 4 of the Companies Act (section 45(3)(b)(i));

(b) is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company (section 45(3)(b)(ii)); and

(c) has ensured that any conditions or restrictions in respect of the granting of financial assistance set out in the Company's MOI have been satisfied (section 45(4)).

The percentage of voting rights that will be required for this resolution to be adopted is at least 75% of the votes exercised on the resolution.

9. Voting instructions

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to the Company.

Voting instructions

In terms of the Companies Act, any member entitled to attend and vote at the above Annual General Meeting may appoint one or more persons as proxy, to attend, speak and vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be deposited at the office of the Transfer Secretaries not later than 48 hours before the time fixed for the Annual General Meeting (excluding Saturdays, Sundays and gazetted South African public holidays).

Shareholder Rights

It is recommended that forms of proxy should be forwarded to reach the Company's Transfer Secretaries, Computershare at the address given below by no later than 28 November 2023. Any form of proxy not delivered to the Transfer Secretaries by this time may be handed to the Chairperson of the AGM at any time prior to the commencement of the Meeting.

Electronic participation

Shareholders or their proxies may participate in the AGM by way of conference call ("conference facility"). Please note that the conference facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the conference facility. Should such shareholders wish to vote, they must either:

- complete the form of proxy and return it to the transfer secretary in accordance with paragraph 13 above; or
- contact their CSDP or broker in accordance with paragraph 13 above.

Shareholders or their proxies who wish to participate in the AGM via the teleconference facility must notify the Company by emailing the Company Secretary (by email at melinda@fusioncorp.co.za) by no later than 12:00, 28 November 2023. The Company Secretary will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act and thereafter, if validated, provide further details on using the conference facility.

The cost of the participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.

The Company cannot guarantee there will not be a break in communication which is beyond the control of the Company.

The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the AGM.

By order of the Board

Melinda Gous
Fusion Corporate Secretarial Services Proprietary Limited

Company Secretary

1 November 2023

Transfer Secretaries

Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Biermann Avenue Rosebank
2196

(Private Bag X9000 Saxonwold, 2132)

FORM OF PROXY

FORM OF PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT 1 TRAVERTINE, N1 BUSINESS PARK, OLD JOHANNESBURG ROAD, CENTURION, 0157, ON 30 NOVEMBER 2023 AT 12H00 – FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS AND DEMATERIALISED ORDINARY SHAREHOLDERS WITH "OWN NAME" REGISTRATION ONLY

I/We (please print)

Of (address)

E-mail: Tel: Cell:

Being the registered holder(s) of ordinary shares in the capital of the Company, do hereby appoint:

1 or failing him/her,

2 or failing him/her,

the Chairman of the Annual General Meeting, as my/our proxy to act on my/our behalf at the Annual General Meeting of the Company, for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.1	Ordinary resolution number 1: Election of Alternate Director – Mr Luke Sparks			
1.2	Ordinary resolution number 2: Re-election of Director who retires by rotation – Mr Richard Willis			
2	Ordinary resolution number 3: Re-appointment of External Auditors and Designated Audit Partner			
3.1	Ordinary resolution number 4: Re-election of Audit and Risk Committee member – Mr Luke Sparks			
3.2	Ordinary resolution number 5: Re-election of Audit and Risk Committee member – Mr Carel van der Merwe			
3.3	Ordinary resolution number 6: Re-election of Audit and Risk Committee member and Chair – Mr Richard Willis			
4	Ordinary resolution number 7: Authority to sign all required documentation			
5	Special resolution number 1: General authority to acquire (repurchase) shares			
6	Special resolution number 2: Remuneration of Non-executive Directors			
7	Special resolution number 3: General approval to provide financial assistance for subscription or purchase of ordinary shares in related or interrelated entities in terms of section 44 of the Companies Act			
8.	Special resolution number 4: Direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) to any company related or interrelated to the Company or to any juristic person who is a member of or related to any such companies			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given the proxy will be entitled to vote or abstain as he or she deems fit.

Signed at on 2023.

Signature

Assisted by me (where applicable)

Please read the summary and notes on the reverse hereof.

SUMMARY AND NOTES TO THE FORM OF PROXY

Summary of rights contained in section 58 of the Companies Act

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate his or her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise; and
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has:
    - (i) directed such company to do so, in writing; and
    - (ii) paid any reasonable fee charged by such a company for doing so.

NOTES TO FORM OF PROXY

1. An ordinary shareholder holding shares, may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided, with or without deleting "the Chairman of the Annual General Meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this role will be exercised by the Chairman of the Annual General Meeting. A proxy need not be a shareholder of the Company.
2. An ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him or her bears to the aggregate amount of the nominal value of all the shares issued by the Company. An ordinary shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the ordinary shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he or she deems fit in respect of the entire number of the shareholder's votes exercisable thereat. An ordinary shareholder or his or her proxy is not obliged to use all the votes exercisable by the ordinary shareholder, or to cast all those votes exercised in the same way, but the total of the votes cast and in respect whereof abstention is recorded, may not exceed the total of the votes exercisable by the ordinary shareholder.
3. If any ordinary shareholder does not indicate on this instrument that his or her proxy is to vote in favour of or against any resolution or to abstain from voting, or give contradictory instructions, or should any further resolution(s) or any amendment(s) which may be properly put before the Annual General Meeting be proposed, the proxy shall be entitled to vote as he or she thinks fit.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or waived by the Chairman of the Annual General Meeting.
6. The Chairman of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
7. A proxy may not delegate his or her authority to act on behalf of the shareholder, to another person.
8. It is recommended that forms of proxy should be lodged with or mailed to Computershare. Proxy forms to be received by them no later than 28 November 2023, at 12:00 provided that any form of proxy not delivered to the Meeting Scrutineers by this time may be handed to the Chairman of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder's rights at the Annual General Meeting.

Hand deliveries to:	Postal deliveries to:
Computershare Rosebank Towers, 15 Biermann Ave, Rosebank, 2196, South Africa	Computershare Private Bag X9000 Saxonwold, 2132
An email can be sent to: ecomms@Computershare.co.za / Leon.Naidoo@computershare.co.za	

9. Should a shareholder lodge this form of proxy with the Transfer Secretaries less than 48 hours before the Annual General Meeting, such shareholder will also be required to furnish a copy of such form of proxy to the Chairman of the Annual General Meeting before the appointed proxy exercises any of such shareholder's rights at the Annual General Meeting.

ADDITIONAL FORMS OF PROXY ARE AVAILABLE FROM THE TRANSFER SECRETARIES ON REQUEST.

Dear Alaris Holdings Limited Shareholder

Notice of publication of annual financial statements for the financial year ended 30 June 2023

Alaris Holdings Limited hereby gives notice in terms of section 31(1) of the Companies Act, 2008 (Act 71 of 2008), as amended, to all its shareholders of the publication of the annual financial statements of the Company for the financial year end 30 June 2023.

A copy of the annual financial statements of the company may be obtained by a shareholder, without charge:

1. By downloading a copy of the annual financial statements from the company's website: www.alarisholdings.com, or
2. By requesting a copy of the annual financial statements from Alaris by means of either:
   a. Email: investor@alaris.tech
   b. Post to Private Bag X4, The Reeds, Pretoria, 0061; or
   c. By requesting post-delivery as per the records on file with your current brokers.

(Please note that the 2023 Integrated Annual Report will only be available in electronic format unless a specific hard copy is requested.)

Yours faithfully

J Dresel

ELECTRONIC COMMUNICATION ELECTION FORM

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")

To:
The Directors
Alaris Holdings Limited

I/We, ______________________________ the undersigned
(please print)

of ______________________________ (address)

being the registered holder(s) of ordinary shares in the capital of the Company,

with account number ______________________________

do hereby elect to receive any documents or notices from Alaris by **electronic post or notification**, to the extent that the Company is permitted to so distribute any notices, documents, records or statements in terms of the Companies Act, No. 71 of 2008, as amended, and any and every other statute, ordinance, regulation or rule in force from time to time, concerning companies and affecting Alaris.

I/We hereby furnish the following e-mail address or mobile number for such electronic communication:

E-mail address ______________________________

Mobile number ______________________________

Any written amendment or withdrawal of any such notice of consent by me/us, shall only take effect if signed by me/us and received by the Company.

Signed at ______________________________

Date ______________________________

Signature ______________________________

Assisted by me (where applicable) ______________________________

Please complete, detach and return this election form to:

- **the Company Secretary:**
  Fusion Corporate Secretarial Services
  at melinda@fusioncorp.co.za

or

- **the Transfer Secretaries:**
  Fax Number: 011 688 5248
  E-mail: ecomms@Computershare.co.za
  Rosebank Towers, 15 Biermann Ave, Rosebank, 2196, South Africa
  Private Bag X9000 Saxonwold, 2132

CORPORATE INFORMATION

ALARIS HOLDINGS LIMITED

Registration Number 1997/011142/06

Directors

Coen Bester ~^ - Chair
Jürgen Dresel # - CEO
Richard Willis^
Chris Neser^
Carel van der Merwe~^
Gisela Heyman
Luke Sparks^ (alternate to Chris Neser)

Business address and registered office

1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0061)

Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd

Transfer Secretaries / Registrar

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

Subsidiary banks:
Androscoggin Bank
Bank of America
Camden National bank
Danske Bank
Deutsche bank (Postbank)
Hypovereinsbank
NatWest Bank
Nordea Bank Abp

www.alaris.tech

SUBSIDIARIES

Alaris Investment Holdings UK Ltd

Company Number 10081803

Directors:
Jürgen Dresel #, Chris Buckenham @

Marlin Building, 4 Sadler Road,
Lincoln LN6 3RS, United Kingdom

Alaris Antennas

Registration Number 2013/048197/07

Directors:
Gisela Heyman (MD), Jürgen Dresel #, Ruenelle Kowlesar,
Carel van der Merwe

1 Travertine Avenue,
N1 Business Park, Old Johannesburg Road,
Centurion, 0157
South Africa

Tel +27 (0)11 034 5300

Alaris COJOT

Registration Number 0620465-3

Directors:
Samu Lentonen° (MD), Jürgen Dresel #, Herbert Bauer #

Päivänkakkarantie 10
02270 Espoo
Finland

Tel +358 (0) 9 452 2234

Alaris mWAVE

Directors:
Jim Detert * (MD), Jürgen Dresel #· Peter Anania *^

33R Main Street, Unit 1,
Windham, ME 04062
USA

Tel +1 (207) 892 0011

Alaris USA

VP: Ralph Prigge
33R Main Street, Unit 1,
Windham, ME 04062
USA

Tel +1 (207) 517 5304

Alaris Linwave

Company Number 04478971

Directors:
Ian Duke @ (MD), Vice Admiral Robert Cooling @^, Jürgen Dresel #

Marlin Building, 4 Sadler Road,
Lincoln LN6 3RS, United Kingdom

Tel +44 (0) 1522 681811

Alaris Kuhne

Registration Number: HRB 3350

Directors:
Gustav Wenhold # (MD), Herbert Bauer #^, Jürgen Dresel #, Ian Duke @

Scheibenacker 3
95180 Berg, Germany

Tel: +49 (0) 9293 - 800 640

Key:
Director's nationality – South African unless defined:
@ British # German * American ° Finnish
~Independent ^non-executive
MD – Managing Director

consists of:

Business address and registered office

1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157

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

Tel +27 (0)11 034 5300

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