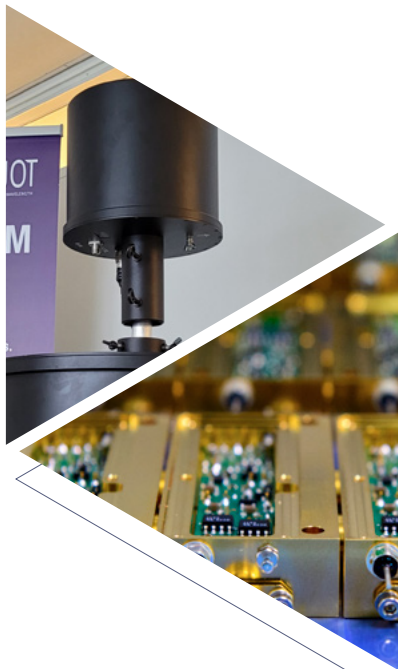


AUDITED
SUMMARISED
CONSOLIDATED
FINANCIAL
STATEMENTS
FOR THE FINANCIAL
YEAR ENDED 30 JUNE
2022





HIGHLIGHTS

SUMMARY

Revenue
increased by

8%

from R328.3 million
to R353.0 million.

Normalised earnings
per share
decreased by

33%

from 42.66 cents
to 28.38 cents.

Profit after tax
decreased by

59%

from R46.4 million
to R18.8 million.

German acquisition
successfully
concluded on 1 July 2022.

Alaris Holdings Limited

Incorporated in the Republic of South Africa
(Registration number 1997/011142/06)
("Alaris" or "the Company" or "the Group")



WHAT WE ARE ALL ABOUT

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

The **Alaris Group** consists of:

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

COJOT, founded in 1986 and located in Espoo, Finland, serves military and public safety markets globally. With more than 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.

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

Linwave Technology, 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.

BUSINESS OVERVIEW

The **Alaris Holdings Group** is still standing solid amidst global turmoil and world-wide economic pressures during this past financial year. Although the entity reported an increase in revenue by 8% from R328.3 million to R353.0 million, profit after tax ("PAT") decreased by 59% from R46.4 million to R18.8 million and normalised earnings per share also decreased by 33% from 42.66 cents to 28.38 cents.

Financial year 2022 will be remembered as one of the most challenging periods for the Alaris Holdings Group. Similar to economic pressures that have been experienced worldwide, all subsidiaries in the Group felt the aftermath of COVID-19, the impact of the component shortages and the price increases on raw materials during the period in review. In addition, projects were delayed and moved out to the new financial period, which added to declines in this past year. Considering the impact of all these external influences and the downturn in the USA entities which absorbed the group profits, Alaris Holdings still had a reasonable year.

A landmark change took place in February 2022, when Alaris Holdings delisted from the JSE. After the shareholders voted in favour of this action on 21 December 2021, the process was concluded on the 14th of February. The executive team and the board remain committed to rigorous financial control in the best interests of all stakeholders.

Linwave Technology has been part of the Group since 26 February 2021 and a full year's contribution is reflecting in the financial results. During the past year, operational activities have been aligned effectively with the Group and various successes have been achieved. Cross-subsidiary cooperation is at a healthy and productive level, with some of the products being integrated into various designs. The team's extensive capabilities in the RF/microwave electronics space is of significant value to the Group, given the strategic path towards added complexity and the integration of electronics, the entity embarked upon.

Another momentous event that took place in the reporting period was the successful conclusion of the Kuhne electronic acquisition, with effective date 1 July 2022. Reporting on this entity will therefore be included in the 2023 financial period. Kuhne electronic, 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, radio amateur 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. This includes a pick and place capability. With the acquisition of Kuhne electronic to the ALH Group of companies, it will advance the entity's drive to become even more subsystem oriented.

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 Innovation Fund which was established at Group level with the support from the Board, generated significant progress in the design of new products. 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 keep up with the trends, to provide leading edge technology to the Group's customers and to grow the diversification of product types.

Sustainable organic growth will remain a strategic priority for the Group, with operational activities continuously being aligned as the Group expands. New product developments and applications assist in this objective as new market areas are opening up.

The Group's strategy of expanding territories and markets has allowed for an enhanced product and service offering to its customers, who have benefitted from access to highly skilled engineers across the globe, providing customers with world-class customised solutions.



Financial Year 2022 has been challenging. The company started the year with a lower open order book compared to the previous year.

Taking our long sales cycles into account, Alaris Antennas has seen the impact of the COVID-19 pandemic more prevalently during this past year owing to the slowdown in decision-making processes by our customers and the inability to meet with our customers face-to-face. Certain opportunities were also placed on hold due to funding being diverted to the Ukrainian war situation.

The order intake during the year remained much slower than anticipated, with opportunities deferring later into the year or even into the new year. The sales activities and market interest has shown an uptick in the last quarter of the year.

Total revenue decreased by 12% from R167.2 million to R147.1 million and PAT decreased by 21% from R36.2 million to R28.7 million. The revenue includes sales to fellow subsidiaries that are eliminated on consolidation. Although revenue declined by 12%, good margins were reported, and therefore a healthy PAT was reported for the year.

Based on the sales outlook at the start of the year, the management team made some very bold decisions to start manufacturing large orders on risk, ensuring timely delivery of orders to customers still within this financial year. This allowed the company to buffer in some way the impact of the component shortages, supplier challenges, positive COVID tests of employees and electricity shortages. Due to this, costs were incurred upfront, impacting the entity's cash resources negatively.

Fortunately, COVID restrictions became a thing of the past and travel bans were lifted, which resulted in the business development team being able to visit customers in person again and to attend exhibitions. The team is excited about opportunities unlocked, which should have a positive impact in the new year.

The collaboration and support between the subsidiaries is proving to be successful, providing a wider variety of world-class solutions to customers and enabling entry into new markets.

During the year, innovative products were designed by the R&D team, which were done in line with the company's strategic product roadmaps. Alaris Holdings allocated internal development funding for a product to service the ITU (International Telecommunication Union) market. This product was successfully designed and Alaris Antennas worked closely with one of its customers to ensure the development meets market expectations. Delivery of the first prototypes has taken place.

Given the circumstances of this year, the results are viewed as solid and are an indication of effective teamwork, dedication and persistence.

COJOT

MORE THAN ONE WAVELENGTH

COJOT experienced a tough year with revenue staying stable in foreign currency but decreasing in South African Rand by 7% from R84.9 million to R78.8 million and a decrease of 7.5% in PAT from R17.3 million to R16.0 million. COVID-19 still impacted customer decision-making resulting in a few projects being delayed. The worldwide shortage of components delayed some large deliveries. As a result of the war in Ukraine, raw material and component prices continued rising and the lead time for materials increased. Fair price increases for COJOT products were introduced during the year to balance the impact of worldwide inflation and price increases on the company.

Years of design, development and manufacturing expertise have enabled the company to offer reliable and durable antenna equipment in some of the world's most demanding environments. Like Alaris Antennas, COJOT has a strong client centric approach. It makes use of a direct sales team and selected channel partners to build its order book. Travel to visit European-based customers in-person and to attend exhibitions has commenced again after all travel bans were lifted. The consequent movement in opportunities shows how critical this is to growth.

A variety of switched beam antenna (SBA) sales projects were successfully finalised during the year. Alaris Holdings additionally allocated internal development funds towards enhancing the SBA's technological offering even more. This initiative, which significantly enhances the performance of SBA products in certain use cases, has already attracted the interest of a significant existing customer and a large order is imminent, thanks to the investment funding deployed.

Order backlog for FY23 is at a healthy level and the outlook for growth in this field remains encouraging. The MIDAS range and smart antenna product line are set to provide a unique competitive edge to the company's customers and will contribute to the organic growth of the Group.



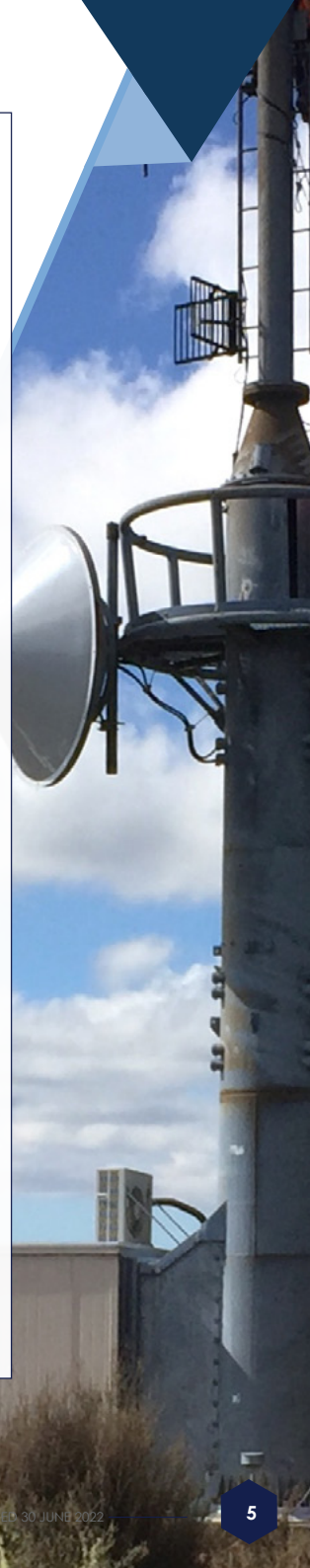
MWAVE INDUSTRIES LLC

mWAVE had disappointing results with a decrease in revenue of 37% from R111.9 million to R70.5 million and a loss of R2.7 million versus a profit of R7.0 million in the prior financial year. It was a tough year and closing orders continued to be challenging. The drop in profit is a result of the revenue decline during this year, especially relating to a large decrease in sales for the customised products. As a mitigating effort, expenses were cut during the year to ensure as little as possible losses. The Company received forgiveness of the PPP (Paycheck Protection Program) loan of R4.3 million in the previous year. The PPP was established as part of the *Coronavirus Aid, Relief and Economic Security Act*, providing loans to qualifying businesses in the USA. Profitability can return with an increase in revenue. Expense mitigations continue to be implemented to help the company get through this difficult period.

Profits can be increased at this point by increasing volumes and focusing on customised, as well as product sales. The Company is working to provide systems including positioners and radomes, as well as additional electronics on some of the larger proposals, by leveraging the engineering and manufacturing capacity of mWAVE. The sales team is actively engaging with customers and are focused on growing the order book to provide the steady base needed to capitalize on the manufacturing assets and experience that mWAVE has.



The sales at **Alaris USA** decreased by 40% from R70 million to R38 million. The growth of the Alaris USA division of mWAVE will play a key role in increasing the exposure of Alaris Antennas, COJOT, and now Linwave products into the North American region. A decrease in sales at Alaris USA will negatively impact the other companies in the Group. During the year Alaris USA struggled to receive orders from customers in the USA as a result of delayed decision making from its customers, due to a side-effect of COVID. Of all the countries in which the Group is operating in, the USA was one of the last countries to progress with decision making and movement in projects, to placing orders. Towards the end of June, activities started picking up and Alaris USA observed more opportunities coming through from customers, even those that were in the pipeline before COVID already. It is encouraging to note that Alaris USA is starting to see traction again.





Linwave's business landscape has continued to undergo significant change since becoming part of Alaris Holdings Ltd at the end of February 2021. Following this acquisition, Linwave has been focussed on driving through improvements that were previously underway and incorporating the views and inputs from the wider subsidiary Group. It has also responded to significant global supply chain disruptions and the impact that these have had on its customer base.

For the financial year ending in June 2022, Linwave reported an increase in revenue of 167% from R36.6 million to R97.7 million and an increase in PAT of 66% from R5.9 million to R9.8 million. Linwave was included for 12 months in the current year compared to 4 months in the prior year. The profits include Government funded Research and Development tax credits based on the work undertaken on site. In addition, Linwave secured a forward order-book of 90% of its budget for financial year 2022/2023, with further orders for subsequent years. This represents a significant increase in forward order intake and results in a healthy start to the new financial year for the business.

One of the main strategic changes since becoming part of the Alaris Group, was to transition from a project-based to a product-based supplier. Traditionally, Linwave has developed customer specific solutions which has limited the level of market penetration it could achieve. The company is working towards a broader range of product variants off the back of its successful development projects, thereby providing an increased product portfolio and solutions to a wider customer base. Linwave has had significant success in this area winning new development and production contracts for its Block Up Converter (BUC) products in the US for very large customers.

The newly created Product Manager roles have started to support the company's goal to promote the breadth of its product range and are currently involved in generating a range of product brochures to promote this capability to a wider audience. The change in the business model will assist in driving future business opportunities to the company, and by association, to the Group.

A second significant strategic project focused on the profitability of the business and specifically the margins of individual products. This project has already identified some significant improvements which have been implemented to the cost template used when bidding for new work. In addition, a pre-bid review board has been introduced to improve the visibility throughout the business of work Linwave is currently bidding for, as well as ensuring that the prices quoted are in line with our profit targets. Linwave is also moving to the Group standard business ERP system which will assist the company to identify the cost build up in much greater detail, and to attribute it to the correct product types rather than applying a standard across all products. The "Go-Live" date for transitioning to Business Central is 1st October 2022.

Linwave has to date completed two new design and development contracts for Group subsidiaries: one for Alaris Antennas (SA) and one for COJOT (Finland). Innovation funding from Alaris Holdings was allocated to Linwave to fund its high precision oscillator design update, and work will continue on this throughout the new financial year. Strategic technology roadmaps in three key areas have been finalised with the support of the Group CTO. These will guide efforts of the team to reach specific organic growth targets.

BUSINESS OVERVIEW (CONTINUED)

CORPORATE AND CONSOLIDATION

This division includes costs associated with being a listed entity and the running costs of shared services. It also includes all the consolidation journals such as the amortization of the customer relationships that were purchased as part of the acquisitions. The listing costs will not be applicable anymore from the 2023 financial year.

The following are the main costs before tax included in this segment:

- Employee costs, cost of the share incentive option scheme for Group executives and board fees totaling R8.1 million (June 2021: R11 million). No bonuses were paid as targets were not met. Only a few of the share-based payment expenses vested during the year and the rest was forfeited.
- Legal and consulting fees including the costs to delist from the JSE, advisory fees, group audit fees and legal fees for the Kuhne acquisition totaling R8 million (2021: R6 million).
 - R4.4 million was legal fees paid for the delisting.
 - R3.1 million related to legal and other fees for the Kuhne acquisition.
- The intercompany cross-selling of the Group decreased from R72.3 million to R41.1 million. This was mainly due to the decrease in the US sales for the year.
- Innovation funding of R3.7 million was spent for the first time this year.
- Amortisation of customer relationships of R5.0 million (2021: R4.9 million)
- Impairment of subsidiary of R8.9 million. Refer to supplementary note 7.

PROSPECTS

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

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

ALARIS ANTENNAS

The new financial year started off with a similar order level to the prior year, however order intake in the first quarter is off to a good start. An uptick in the European, Middle Eastern and Asian markets is evident, with good progress on some of the larger direction-finding opportunities in the pipeline. In addition, various projects have been awarded to customers in the naval market, which resulted in an increase in demand of the Alaris naval solutions.

The business development team, with the support of the research and development division, will have a focused approach to increase the company's market share in the field of counter operations against unmanned aircraft systems (C-UAS), and to enter new markets with its ITU applications. Alaris Antennas owns innovative products to address the demand in these markets.

The engineering team will focus on expanding the high frequency product range and developing novel technical solutions to address market demands in the direction finding and monitoring product line. This is strategically aligned with the clearly defined roadmap which will assist the company to move up in the value chain, resulting in more complex systems associated with higher margins. Extensive research was done on market trends and customer requirements to enable future growth as a direction finding (DF) antenna systems specialist.

By using its key differentiator of developing innovative designs and applying its own intellectual property, the company's move into the field of higher frequency antenna systems is well-grounded. There are some joint projects with the other subsidiaries in the Group, resulting in more opportunities being unlocked to which the team can respond favourably.

The management team of Alaris Antennas is optimistic about the future of the company and is looking forward to an exciting year with great opportunities and interesting new product developments.

COJOT

COJOT is starting the new financial year with an order book of nearly double compared to July 2021. In the first quarter the interest in the Switched Beam Antenna (SBA) product line has also increased in the USA and larger sales orders have been closed. The outlook for growth in the field of SBA sales and COJOT's R&D focus on this product line continues to be encouraging, with several good sales opportunities in the pipeline.

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

The company's sales opportunities in the North American market have progressed well through the establishment of Alaris USA, also the number of sales opportunities in Europe have increased. Several opportunities have been unlocked, which could lead to substantial sales growth in this market. Increasing the company's footprint throughout Europe and Asia, in collaboration with Alaris Antennas and the other companies in the Group remains a key area for COJOT to accelerate growth.



MWAVE INDUSTRIES LLC

- **mWAVE**

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 expanded its direct and independent representative network and is also focused on growing the geographical sales footprint through cross-selling opportunities with other Group subsidiaries. Growth is expected as a result of these initiatives.

mWAVE will continue to focus on business development by increasing the number of sales opportunities, more effective quoting and the conversion thereof. The number of opportunities for the first quarter are more than double than the prior year. Converting the opportunities remains a problem and is taking longer. Since in-person meetings are possible again, the business development team will visit customers more often and will attend more tradeshow. 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.

mWAVE is continuing to leverage its proven technical, design and manufacturing capabilities to partner on projects that, if successful, can generate repeat or programmatic business. This business model has a longer sales-cycle but is part of the ongoing strategy to generate predictable growth. These opportunities exist in the custom markets as well as the commercial markets although both markets require mWAVE to be selective in pursuing opportunities where we can provide value. Examples of these include larger system sales where integrated positioners, radomes and RF electronics provide enhanced solutions for clients as well as severe environment and high-frequency offerings on the commercial side. mWAVE also has opportunities to provide sophisticated antenna feeds to selected partners given mWAVE's proven experience in designing and manufacturing antenna feeds. These sales can provide more revenue stability and complements the company's antenna systems business.

- **Alaris USA**

Alaris USA is strategically positioned to foster closer interaction and relationships with its customer base in the United States and Canada. This entity will continue to promote cooperative cross-selling, enabling an expanded product offering to customers. Alaris USA will focus on securing new customers in the USA and Canada to increase sales opportunities in North America. The team will work on growing the order book and increasing its pipeline by becoming the antenna and RF electronics partner of choice to customers for existing and prospective projects.

The current year started off with an order book three times larger than the order book for FY2022. By the end of August the entity expects to have received orders of about 70% of the total budget for the year. It appears that the USA market has revived again and more opportunities are being worked on.

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

Looking forward, Alaris USA will potentially have its own manufacturing capability to ensure the continued support of US customers. This will build on the platform that mWAVE has in place and will be in response to requirements for products to be made in the USA.



LINWAVE TECHNOLOGY

Linwave Technology is well placed for growth within its existing customer base and has continued to book new orders in excess of forecast. This has put the business in a strong position both for this financial year and the next.

The last six months have seen a significant number of cross-subsidiary initiatives. The Linwave team has started to leverage support from other Group entities in export markets which had not been accessed previously. The aim over the next 2-3 years is to widen customer engagement predominantly in the Defence and Security markets and to grow the business through an increase in export activity. Key areas for international growth will be Europe and the United States. Linwave is engaging with sales personnel in these territories to open new opportunities and has been successful in securing new business with a large US customer with the assistance of mWave sales personnel. As international travel began to open up following the COVID-19 pandemic, Linwave staff have been able to visit the overseas sales teams on focussed joint customer visits, shows and exhibitions, and to undertake product and capability training face-to-face.

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

As part of the wider Alaris Holdings Group, opportunities exist to extend both the development and manufacturing capabilities of the business as a whole. In the future, there could be further business expansion to support lower cost manufacturing capabilities and to provide an extended engineering resource pool to deal with the increased levels of business seen in the sector. The recent acquisition of Kuhne electronic will help provide a wider pool of resources in both manufacture and design development that can be deployed to reduce the direct burden on Linwave, and to assist in supporting its growth aspirations.

The team remains excited about the future and will be building on the new opportunities and projects which are in place to enable growth and profitability.



PROSPECTS (CONTINUED)

THE GROUP

Due to the impact of the volatile global economic market on the Group and all its subsidiaries this year, organic growth will receive priority focus across all levels and entities. A number of key actions have been put in place to encourage this objective for the period ahead, since sustainable growth remains core to the business plan. Specific emphasis will be placed on increasing business development opportunities at mWAVE and converting those into orders, thereby bringing profits back on track. As a major part of the global electronic warfare market is in the USA, every effort will be made to capitalise on these opportunities through our presence in this territory. A number of strategic actions are considered for further implementation and to streamline operations at mWAVE.

Through the established Innovation Fund at Group level, continued emphasis will be placed on innovation, research and new product developments to drive the company's technical strategy to move up in the value chain and towards antenna systems and new markets. All companies will continue with this effort and building on their specific core competencies, thereby enhancing their product offerings in new market segments and applications.

The acquisition of Kuhne electronic was concluded and control was taken over on 1 July 2022. One of the focus areas for the new financial year will be on integrating Kuhne electronic fully into the Group and maximising synergies between this entity and Linwave.

The business development teams are engaging with customers more frequently through in-person meetings and will be attending many more trade shows and exhibitions. The ability to provide competent technical advice by a highly skilled engineering team and understanding its clients' requirements, has enabled the entities to act as trusted advisors to their customers in the field of antenna systems. An uptick in activities has already been experienced towards the end of FY22, and the teams are looking forward to increase customer engagements, thereby living the Group's core value of customer centricity and the strategy of interacting with their clients early on in the project cycle.

Despite the delisting from the JSE, the strategy of international expansion remains. Therefore, the teams in the various entities will progressively engage in business opportunities which will bolster the Group's foothold in strategic territories and markets. With the addition of Kuhne electronic, based in Germany, it strengthens Alaris Holdings' presence in Europe even more, and positions the Group with closer proximity to its customers.

Although a step back was enforced by the volatile economic conditions during the concluded period, the executive team remains positive about the future of the Group. 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 combination of the mentioned strategies, driven by a dynamic workforce, should bring the financial performance back on track in the period ahead.

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

R'000	2022	2021
Revenue ^A	353 013	328 305
Cost of sales	(133 365)	(110 106)
Gross profit	219 648	218 199
Other income	3 320	6 921
Operating expenses	(200 647)	(167 622)
Trading operating profit ^B	22 321	57 498
Finance income	439	1 133
Finance costs	(898)	(760)
Profit before taxation	21 862	57 871
Taxation	(3 064)	(11 461)
Profit for the year	18 798	46 410
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve	3 026	(18 854)
Gross amount	3 887	(22 369)
Taxation	(861)	3 515
Total comprehensive income	21 824	27 556
Weighted average number of ordinary shares in issue ^C	124 067 215	119 829 488
Weighted average number of diluted ordinary shares in issue ^C	124 419 800	121 319 257
Basic earnings per ordinary share (cents)	15.15	38.73
Diluted basic earnings per ordinary share (cents)	15.11	38.25
Headline earnings per ordinary share (cents)	22.36	38.78
Diluted headline earnings per ordinary share (cents)	22.29	38.31

- A. Refer to supplementary note 5.
- B. Trading operating profit comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income and finance costs.
- C. Weighted average number of shares net of treasury shares.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

R'000	2022	2021
Assets		
Non-Current Assets		
Plant and equipment	14 170	12 047
Right-of-use-asset	18 230	22 098
Goodwill	52 864	61 986
Intangible assets	20 056	25 787
Deferred tax assets	20 781	19 316
	126 101	141 234
Current Assets		
Inventories	69 849	40 681
Trade and other receivables	113 633	74 693
Sundry debtors ^A	27 144	-
Tax receivable	5 682	2 004
Cash and cash equivalents	41 728	93 177
	258 036	210 555
Total Assets	384 137	351 789
Equity and Liabilities		
Equity		
Equity attributable to owners of the Company		
Share capital	6	6
Share premium	227 962	209 286
Share-based payment reserve	(5 176)	26 073
Foreign currency translation reserve	2 071	(955)
Accumulated profit	45 813	27 015
Total equity	270 676	261 425
Liabilities		
Non-Current Liabilities		
Loans and borrowings	2 115	1 117
Lease liabilities	13 387	17 313
Deferred tax liabilities	3 991	3 575
	19 493	22 005
Current Liabilities		
Loans and borrowings	1 117	802
Lease liabilities	5 910	5 609
Trade and other payables	80 585	61 902
Bank Overdraft	5 894	-
Tax payable	462	46
	93 968	68 359
Total Liabilities	113 461	90 364
Total Equity and Liabilities	384 137	351 789

A. Refer to supplementary note 10.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share premium	Share-based payment reserve	Foreign currency translation reserve	Accumulated profit/(loss)	Total Equity
Balance at 30 June 2020	6	205 250	17 350	17 899	(19 395)	221 110
Total comprehensive income for the year:	-	-	-	(18 854)	46 410	27 556
– Profit for the year	-	-	-	-	46 410	46 410
– Foreign currency translation reserve	-	-	-	(18 854)	-	(18 854)
Share-based payment – option charge	-	-	9 229	-	-	9 229
Linwave acquisition settled in shares	*	3 080	-	-	-	3 080
Share-options exercised on net basis	-	-	(506)	-	-	(506)
Movement in treasury shares	*	956	-	-	-	956
Balance at 30 June 2021	6	209 286	26 073	(955)	27 015	261 425
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	-	-	1 468	-	-	1 468
Share-options exercised on net basis	-	-	(32 717)	-	-	(32 717)
Movement in treasury shares	*	18 676	-	-	-	18 676
Balance at 30 June 2022	6	227 962	(5 176)	2 071	45 813	270 676

* Nominal amount – amount smaller than R1 000.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

R'000	2022	2021
Cash flows from operating activities		
Profit before tax	21 862	57 871
Adjusted for non-cash items	28 644	9 545
Working capital changes	(49 425)	1 850
Cash generated from operations	1 081	69 266
Finance income	439	1 133
Finance cost	(190)	(169)
Tax paid	(5 982)	(18 475)
Net cash flow from operating activities	(4 652)	51 755
Cash flows from investing activities		
Additions to plant and equipment	(6 362)	(4 457)
Additions to intangible assets	(778)	(1 101)
Prepayment for acquisition for subsidiary ^A	(27 144)	-
Acquisition of a subsidiary	-	(56 611)
Net cash flow used in investing activities	(34 284)	(62 169)
Cash flows from financing activities		
Increase/(decrease) in loans and borrowings	1 312	(495)
Net (decrease)/increase in treasury shares – Share Incentive Scheme	(14 042)	451
Payment of lease liabilities	(5 626)	(6 932)
Net cash flow used in financing activities	(18 356)	(6 976)
Net decrease in cash and cash equivalents for the year	(57 292)	(17 390)
Cash and cash equivalents at beginning of the year	93 177	110 268
Effect of exchange rate movement on cash balances	(51)	299
Total cash and cash equivalents at end of the year	35 834	93 177

A. Refer to supplementary note 10.

SEGMENTAL ANALYSIS

R'000	June 2022	June 2021
Segmental revenue		
Alaris Antennas	147 141	167 201
COJOT	78 784	84 876
mWAVE	70 484	111 871
Linwave	97 678	36 611
Inter-segmental	(41 074)	(72 254)
	353 013	328 305
Earnings before interest, tax, depreciation and amortisation (EBITDA) ^A		
Alaris Antennas	40 569	52 844
COJOT	21 710	23 318
mWAVE	(2 590)	9 380
Linwave	9 434	6 864
Corporate and consolidation	(21 120)	(21 427)
	48 003	70 979
Profit for the period		
Alaris Antennas	28 669	36 200
COJOT	15 958	17 252
mWAVE	(2 747)	6 984
Linwave	9 842	5 943
Corporate and consolidation	(32 924)	(19 969)
	18 798	46 410
Normalised earnings after tax for the period ^B		
Alaris Antennas	28 669	37 047
COJOT	17 647	17 252
mWAVE	(2 747)	6 984
Linwave	9 859	5 943
Corporate and consolidation	(18 215)	(16 107)
	35 213	51 119

- A. EBITDA is trading operating profit per the Statement of Profit or Loss and excludes depreciation, amortization and impairments.
- B. Normalised earnings, as determined by the Alaris Group, is calculated for the current year by adjusting profit for the legal and consulting fees for acquisitions and the delisting from the JSE as well as impairment in subsidiaries.

SEGMENT ASSETS AND LIABILITIES

SEGMENT ASSETS AND LIABILITIES

Segment Assets	June 2022	June 2021
Alaris Antennas	100 249	109 030
COJOT	54 694	45 995
mWAVE	50 934	56 399
Linwave	96 466	66 911
Corporate & consolidation	81 794	73 454
Group	384 137	351 789

Segment Liabilities

Alaris Antennas	(31 468)	(41 581)
COJOT	(17 577)	(17 493)
mWAVE	(6 976)	(3 450)
Linwave	(50 003)	(24 013)
Corporate & consolidation	(7 437)	(3 827)
Group	(113 461)	(90 364)

RECONCILIATION OF BASIC EARNINGS TO NORMALISED EARNINGS

R'000	2022	2021
Profit from operations for the year	18 798	46 410
Legal and consulting costs for acquisitions	3 084	4 709
Impairment of mWAVE ^A	8 938	-
Cost to delist from the JSE	4 393	-
Normalised earnings after tax comprising ^B:	35 213	51 119
Alaris Antennas	28 669	37 047
COJOT	17 647	17 252
mWAVE	(2 747)	6 984
Linwave	9 859	5 943
Corporate and consolidation ^C	(18 215)	(16 107)
Weighted average number of ordinary shares in issue	124 067 215	119 829 488
Normalised earnings per ordinary share (cents)	28.38	42.66

- A. Refer to supplementary note 7.
- B. Normalised earnings, as determined by the Alaris Group, is calculated for the current year by adjusting profit for the legal and consulting fees for acquisitions and the delisting from the JSE as well as impairment in subsidiaries.
- C. Costs relating to shared services, fees associated with being a listed company, net foreign exchange gains/losses and costs of the incentive share options of group executives are included in this segment. Net funding costs are also included in the segment.

SUPPLEMENTARY NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The carrying values of other financial assets and liabilities, trade and other receivables, trade and other payables approximate their fair value due to it being short-term in nature. The Group measures currency futures at fair value using inputs as described in level 1 of the fair value hierarchy. The carrying value of loans and borrowings approximate their fair value as the instruments carry a variable rate and management has assessed at 30 June 2022, that the loans given originally are still market related should a similar transaction be entered into at 30 June 2022.

2. STATEMENT OF COMPLIANCE

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

The directors take full responsibility for the preparation of the report and the summarised consolidated financial information has been extracted from the underlying consolidated financial statements. This summarised report is a summary from audited information but is in itself not audited. The Board approved the Group annual financial statements on 15 September 2022.

3. BASIS OF PREPARATION

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

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

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

The summarised consolidated financial statements were prepared under the supervision of the Group Financial Director, Elsie Müller CA(SA).

SUPPLEMENTARY NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

4. REPORT OF THE INDEPENDENT AUDITORS

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

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

The summarised consolidated financial statements do not include all of the disclosures required for full financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2022.

5. REVENUE

	2022 R'000	2021 R'000
Fully configured products *	311 021	277 889
Newly developed products **	41 992	50 416
	353 013	328 305

* R2.6 million (2021: 0) of the revenue consists of revenue over time whereas the rest of the revenue consists of revenue at a point in time.

** R41.99million (2021: 50.42 million) of the revenue consists of revenue over time whereas the rest of the revenue consists of revenue at a point in time.

Geographical information

Alaris Antennas operates its manufacturing, research & development and sales offices from South Africa. COJOT has its operations in Europe. mWAVE operates from the United States of America. 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	2022 Amount	2022 %	2021 Amount	2021 %
REVENUE				
Total	353 013	100%	328 305	100%
Americas	79 199	22%	107 628	33%
Asia, Middle East, Australia	74 631	21%	69 720	21%
Europe	102 278	29%	71 017	22%
United Kingdom	79 608	23%	56 286	17%
South Africa	17 297	5%	23 654	7%

In the table above one can see that the sales in the Americas decreased significantly leading to the indication of impairment of mWAVE. Subsequent to year end we have seen an increase in opportunities in the Americas, especially for the Alaris USA customers.

6. RECONCILIATION FROM EARNINGS TO HEADLINE EARNINGS:

	Audited June 2022	Audited June 2021
Profit for the year	18 798	46 410
Basic earnings	18 798	46 410
Losses on disposal of assets and impairments	-	62
Impairment of subsidiary	8 938	-
Headline earnings	27 736	46 472
Weighted average number of ordinary shares in issue	124 067 215	119 829 488
Shares in issue net of treasury shares	126 945 634	121 830 957
Basic earnings per ordinary share (cents)	15.15	38.73
Headline earnings per ordinary share (cents)	22.36	38.78

7. IMPAIRMENT OF SUBSIDIARY

During the year the revenue for mWAVE decreased significantly indicating an impairment. The recoverable amount was calculated for mWAVE by calculating the net present value of the future cashflows expected to be derived from the entity. A pre-tax discount rate of 15.81% was used and a terminal growth rate of 3%. The key assumptions were taken from the budget for the 2023 financial year and the business plans for the years thereafter. The carrying amount was greater than the recoverable amount and an amount of R8.9 million (EUR 0.5 million) had to be impaired for mWAVE.

8. EXCHANGE RATES USED FOR CONVERSION OF FOREIGN ITEMS

Exchange rates used for conversion of foreign items were:

Closing exchange rate used for conversion of foreign items were:	2022	2021
USD	16.25	14.31
EUR	16.97	17.02
GBP	19.74	19.79
Average exchange rates used during the year		
USD	15.21	15.23
EUR	17.15	18.38
GBP	20.24	20.02

* Foreign currency ("FC")

9. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Standard/Interpretation	Effective date Periods beginning on or after	Expected impact
IAS 37 amendment - Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments – Annual Improvements to IFRS Standards (2018 – 2020)	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IAS 16 amendment - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 amendment - Classification of liabilities as current or non-current	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements
IAS 8 amendment - Definition of Accounting Estimates	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements
IAS 1 and IFRS Practice Statement 2 amendment - Disclosure Initiative: Accounting Policies	1 January 2022	The impact of the standard is not expected to have a material impact on the financial statements
IAS 12 amendment - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	The impact of the standard is not expected to have a material impact on the financial statements

10. SUBSEQUENT EVENTS

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 is EUR 1.6 million for the company and EUR 1.1 million for the building in which Kuhne is trading. EUR 1.6 million was paid in cash on 30 June 2022 with the final conditions precedent being concluded at close of business on 30 June 2022. The EUR1.6 million recognised as sundry debtors in the statement of financial position. The EUR1.1 million for the building is only payable when the building transfer is registered. To the extent that the actual amount of net working capital exceeds the estimated amount of net working capital COJOT shall pay an amount equal to the excess; or if the actual net working capital amount is less than the estimated net working capital amount, the Sellers shall pay to COJOT an amount in aggregate equal to the shortfall, such amount to be transferred within 10 days after agreement of the final amount payable. The cash paid for the acquisition is financed through excess cash available in the group. The building will be financed through excess cash and a loan of EUR 500 000 from financial institutions.

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

11. GOING CONCERN

The Group has generated a net profit for the year ended June 2022 of R19 million and as at 30 June 2022, the Group has a cash and cash equivalents of R36 million. The current assets exceeded current liabilities by R163 million.

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

12. DIVIDENDS

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

The growth strategy approved by the Board includes acquisitions and/or mergers. The Board believes that it would be more appropriate for the Group to retain cash to ensure that the Group is best placed to implement its acquisitive growth strategy. Therefore, the Board has resolved not to declare a dividend for the financial year ended 30 June 2022 (2021: R0).

13. DIRECTORATE

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

By order of the board



Jürgen Dresel
Group Chief Executive Officer

21 September 2022

Johannesburg



Elsie Müller
Group Financial Director and CFO



CORPORATE INFORMATION

ALARIS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

www.alarisholdings.co.za

Directors

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

*Independent

^Non-executive

#German

°American

Business address and registered office

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Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0061)

Designated Adviser until 14 February 2022

PSG Capital

Registration Number 2006/015817/07

Second Floor,
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Sandton, 2196 (PO Box 650957, Benmore, 2010)

Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd

Transfer Secretaries

Computershare Investor Services Proprietary Limited

Registration Number 2004/003647/07

Rosebank Towers,
15 Biermann Avenue,
Rosebank, Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

Auditors

KPMG Inc.

Bankers

Standard Bank
Nordea Bank Abp
Danske Bank
Androscooggin Bank
Bank of America
Natwest Bank

PRINCIPAL SUBSIDIARIES

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Registration Number 10081803

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Jürgen Dresel®

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Alaris Antennas Proprietary Limited

Registration Number 2013/048197/07

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Other directors: Jürgen Dresel #, Ruenelle
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COJOT Oy

Registration Number 0620465-3

Managing Director: Samu Lentonen°
Other directors: Jürgen Dresel #, Herbert Bauer#

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mWAVE Industries LCC

• **mWAVE**

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• **Alaris USA LLC**

Vice-president of Alaris USA LLC: Ralph Prigge^

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Linwave Technology Limited

Registration Number 04478971

Managing Director: Ian Duke®

Other directors: Vice Admiral Robert George
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