# SUMMARISED CONSOLIDATED RESULTS
## FOR THE FINANCIAL YEAR ENDED 30 JUNE
# 2018

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

# HIGHLIGHTS

17%

Revenue from continuing operations increased by
**17% from R159.4 million to R187.1 million.**

43%

Profit after tax from continuing operations increased by
**43% from R23.0 million to R32.9 million.**

100%

Normalised earnings per share from continuing operations increased by
**100% from 15.2 cents to 30.5 cents.**

229%

Net cash flow from operating activities increased by
**229% from R13.3 million to R43.8 million.**

# WHAT WE ARE ALL ABOUT

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

The Alaris Group consists of:

**Alaris Antennas**, with its head office in Centurion, designs, develops, manufactures and sells specialised broadband antennas as well as other related RF products. Its products are used in the communication, frequency spectrum monitoring, test and measurement, electronic warfare and other specialised markets. Clients are located across the globe, mostly outside of South Africa (the Americas, Europe and Asia). Its clients are system integrators, frequency spectrum regulators and players in the homeland security space.

**COJOT** was founded in 1986 and is located in Espoo, Finland. The company has 30 years of experience in the design, development and manufacture of innovative antenna products, serving military and public safety markets globally. COJOT develops innovative broadband antennas to improve connectivity, coverage and competitiveness of radio equipment which is deployed to save lives and protect property.

The continuing operations performed well for the year ended 30 June 2018, resulting in profit growth of 43% from R23.0 million to R32.9 million.

Normalised earnings from continuing operations includes a net foreign exchange gain of R0.9 million (2017: net loss of R3.8 million). Foreign currency gains and losses are treated as part of normalised earnings given the nature of the Group, consistent with the prior year.

Net cash flow from operating activities increased by 229% from R13.3 million to R43.8 million.

The Group's cash position decreased by R13.4 million to R51.7 million, owing to the repayment of the PSG Alpha preference shares of R51 million on 3 July 2017.

**Alaris Antennas**

Revenue decreased slightly by 1% from R123.0 million to R122.0 million and profit after tax ("PAT") decreased by 7% from R34.9 million to R32.5 million.

The product mix sold and delivered in this financial year was more focused on customization and development for our clients, compared to the prior year where a higher percentage of mature products were sold. Delays in one particular project out of Europe to the value of R30 million consumed technical resources resulting in a delay in the delivery of other projects. Alaris managed to deliver about 60% of the order in this financial year and the remainder is expected to be delivered in the next financial year. The project is on track again and no further delays are expected.

The process maturity required to deliver large projects into global blue chip companies indicated the need to bolster the project management aspects of the business. A central project management office was implemented to support this focused approach.

In addition to the above, Alaris invested in highly skilled staff in other specialised areas to support the client centric approach and our focus on quality. This included expansion in engineering resources, quality and testing resources, as well as a sales and support function in the US.

Alaris Antennas continues to be a leader in product innovation, adding 48 (2017: 74) new products to its portfolio in the period to support future revenue growth. Owning its own proprietary knowledge and further developing the company's intellectual property has proven to be a competitive advantage in opening new markets and increasing the barrier to entry.

**COJOT**

COJOT achieved significant revenue growth of 79% from R36.3 million to R65.1 million. Three large orders from Europe and the Middle East contributed to this increase. PAT increased by 288% from R3.9 million to R14.9 million. Management is pleased with the profits contributed to the Group from the acquisition date in May 2016, equating to about 68% of the initial purchase price net of cash (€2.4 million).

The net profit margin as a percentage of revenue, more than doubled compared to the comparative period. This indicates the benefits of scaling revenue to cover fixed overhead costs.

The integration of the sales capability and product portfolio of the COJOT and Alaris teams resulted in cross-selling of R2.7 million (2017: R1.9 million).

**Corporate and consolidation**

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

- Net foreign exchange gains of R0.9 million (2017: R3.8 million losses).
- The repayment of the PSG Alpha preference shares on 3 July 2017 resulted in minimal interest being paid compared to the R5.0 million in the comparative period.
- Employee costs, cost of the share incentive option scheme, including ad-hoc equity settled bonus, incentive bonusses for Group executives and board fees totaling R12 million (2017: R6.8 million).
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees and group audit fees totaling R4 million (2017: R2.0 million). This includes advisory cost associated with the US acquisition.

# PROSPECTS

The Group's three strategic pillars provide a solid foundation and unique position for growth to both Alaris Antennas and COJOT. These key pillars are extensive expertise in radio frequency technology products, owning and developing intellectual property and the global reach of its products.

Sustainable organic growth and strategic acquisitions are gaining momentum and will remain a strategic driving force for the Group.

**Alaris Antennas**

Alaris Antennas has achieved a compound annual growth rate in profits of 19% over the past 4 years. This success can be attributed to the Group's values, with client centricity being at the core. The term "Alaris" originates from Latin and is synonymous with the word "ally", which is descriptive of the relationship Alaris has with its customers and partners. The company strives to understand its customer's needs and thereby developing the best possible solutions. This mindset together with adding innovative technological products to the portfolio ensures positive organic growth. Further opportunities for growth are achieved by adding agents and new system houses as clients.

The company's competitive advantage is its ability to develop and hold its own IP as it continues to invest significantly in research and development. The highly skilled and specialized team of engineers helps with our objective of being the preferred supplier and partner of innovative RF products. This remains a key differentiator. Products are manufactured on site in Centurion and approximately 90% of the company's revenue is derived from exports. This provides a strong justification to increase the Group's footprint globally.

The company has invested in onsite Environmental Stress Screening ("ESS") equipment, which includes a temperature and humidity chamber as well as vibration equipment. This will allow the Group to further improve quality and customer service. The installation is one of few in the southern hemisphere. Antennas can be tested thoroughly to ensure they withstand extreme environmental conditions. This ability adds to the uniqueness of the organisation.

Management believes the business has significant potential for organic and acquisitive growth where there is a complementary opportunity in markets and products.

**COJOT**

COJOT's years of design, development and manufacturing experience has enabled the company to offer reliable and durable antenna equipment to some of the most demanding environments throughout the world. The company has moved more towards a client centric approach, similar to Alaris Antennas. The company makes use of a direct sales team and selected channel partners to build its order book. COJOT has a team of highly skilled engineers with many years of experience in design and development, providing innovative wideband antennas to improve connectivity, coverage and competitiveness of radio equipment deployed to protect and save lives. The company has established various partnerships with key contract manufacturers. These partnerships provide efficiency and scalability as well as seamless quality to its client base.

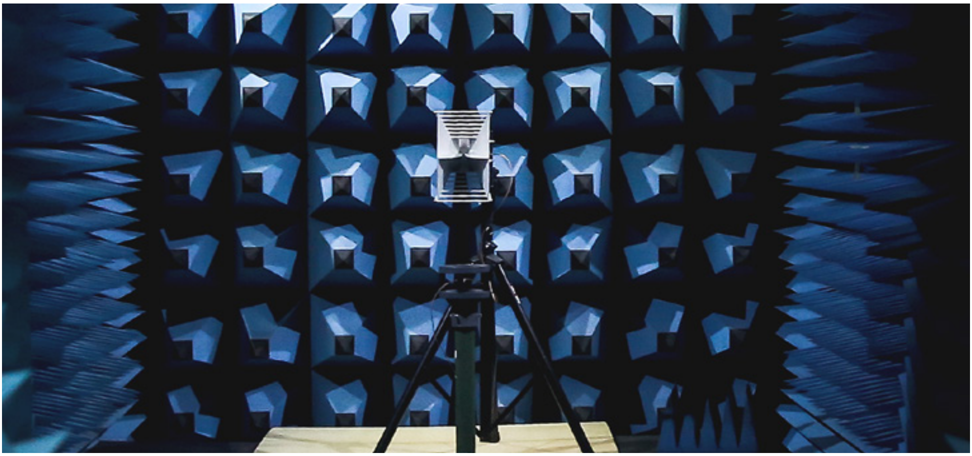
A trend in the antenna technology field is that of smart antennas. The Group's engineers are well-positioned to drive this trend, creating products that allow functions like automatic frequency tuning, switched beam antennas and multiple port antennas. COJOT has identified some opportunities with customers that they will focus on over the period.

**The Group**

The Group remains optimistic about prospects for the period ahead. By diversifying into different territories and entering new market segments, the management team's key objective is profitable organic growth for both Alaris Antennas and COJOT. Both companies are strongly focused on research and development and hold exploitable patented technologies that can be monetized into the future. Cross-selling opportunities and joint development projects have taken place in the past year. Processes are in place to capitalize further on synergies between Alaris Antennas and COJOT. With their combined skill-set, sharing of ideas and pursuing cutting-edge technologies, customers will receive the benefits of an expanded product portfolio with more competitive features and excellent customer service.

The US administration has for the first time in a few years, voted for and approved an increased defense budget to the amount of $716 billion for 2019. This reflects an increase of $82 billion from 2017. The sales team has managed to unlock opportunities with new and existing customers in this market providing an opportunity for the Group to deliver against its client centric model into the future.

International expansion is an important part of the Group's global strategy and management will remain on the lookout for further opportunities to increase the global footprint. We are pleased with the progress made with the acquisition in the US and the aim is to conclude the conditions precedent as stipulated in the signed agreement in the first quarter of this new financial year.



# SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| **Continuing Operations** | | |
| Revenue | 187 075 | 159 350 |
| Cost of sales | (53 589) | (44 042) |
| **Gross profit** | **133 486** | **115 308** |
| Other income | 738 | 212 |
| Operating expenses | (91 502) | (78 204) |
| **Trading operating profit [C]** | **42 722** | **37 316** |
| Finance income | 380 | 740 |
| Finance costs | (392) | (4 907) |
| **Profit before taxation** | **42 710** | **33 149** |
| Taxation [A] | (9 791) | (10 147) |
| **Profit from continuing operations** | **32 919** | **23 002** |
| **Discontinued Operation [B]** | | |
| Revenue | - | 69 308 |
| Cost of sales | - | (46 811) |
| **Gross profit** | **-** | **22 497** |
| Other income | - | 83 |
| Operating expenses | - | (23 826) |
| **Trading operating loss [C]** | **-** | **(1 246)** |
| Profit on disposal of discontinued operation | - | 9 194 |
| Finance income | - | 580 |
| Finance costs | - | (33) |
| **Profit before taxation** | **-** | **8 495** |
| Taxation | - | 325 |
| **Profit from discontinued operation** | **-** | **8 820** |
| **Profit for the year** | **32 919** | **31 822** |
| **Other comprehensive income net of tax:** | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| - Gross foreign currency translation reserve | 3 652 | (6 560) |
| - Taxation | (780) | 1 838 |
| **Total comprehensive income** | **35 791** | **27 100** |

## SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| Weighted average number of ordinary shares in issue [D] | 116 116 771 | 153 985 264 |
| Weighted average number of diluted ordinary shares in issue | 116 116 771 | 174 385 264 |
| **Basic earnings per ordinary share (cents)** | | |
| Continuing operations | 28.35 | 14.94 |
| Discontinued operation | - | 5.72 |
| Total | 28.35 | 20.66 |
| **Diluted basic earnings per ordinary share (cents)** | | |
| Continuing operations | 28.35 | 16.03 |
| Discontinued operation | - | 5.06 |
| Total | 28.35 | 21.09 |
| **Headline earnings per ordinary share (cents)** | | |
| Continuing operations | 28.35 | 14.94 |
| Discontinued operation | - | (0.33) |
| Total | 28.35 | 14.61 |
| **Diluted headline earnings per ordinary share (cents)** | | |
| Continuing operations | 28.35 | 16.03 |
| Discontinued operation | - | (0.28) |
| Total | 28.35 | 15.75 |
| **Normalised earnings per ordinary share (cents)** [E] | | |
| Continuing operations | 30.50 | 15.22 |
| Discontinued operation | - | - |
| Total | 30.50 | 15.22 |

A. A Section 11 D tax benefit of R3.2 million was deducted in this financial year, of which R1.0 million related to the 2017 financial year. This reduced the Group tax rate by 7.5%.

B. Aucom was disposed end of April 2017 and classified as a discontinued operation in the comparative period.

C. Trading operating profit comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income, fair value adjustments, profit on disposal of Aucom and finance costs.

D. 40 million shares repurchased as part of the Aucom transaction were included in the weighted number of shares in issue for eleven of the twelve months in the comparative period.

E. Refer Supplementary note 1 for a reconciliation of normalised earnings to profit.

# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| **Assets** | | |
| **Non-Current Assets** | | |
| Plant and equipment | 6 619 | 5 793 |
| Goodwill | 26 582 | 24 902 |
| Intangible assets | 12 782 | 12 381 |
| Deferred tax assets | 2 539 | 3 252 |
| | **48 522** | **46 328** |
| **Current Assets** | | |
| Inventories | 19 080 | 13 592 |
| Current tax receivable | 1 194 | 2 967 |
| Trade and other receivables | 35 151 | 27 782 |
| Cash and cash equivalents | 51 679 | 65 083 |
| | **107 104** | **109 424** |
| **Total Assets** | **155 626** | **155 752** |
| **Equity and Liabilities** | | |
| **Equity** | | |
| Equity attributable to owners of the Company | | |
| Share capital | 6 | 6 |
| Share premium | 202 051 | 202 051 |
| Share-based payment reserve | 7 428 | 4 721 |
| Foreign currency translation reserve ("FCTR") | (2 149) | (5 021) |
| Accumulated loss | (91 008) | (123 927) |
| **Total equity** | **116 328** | **77 830** |
| **Liabilities** | | |
| **Non-Current Liabilities** | | |
| Loans and borrowings | 1 141 | 361 |
| Deferred tax liabilities | 962 | 1 073 |
| | **2 103** | **1 434** |
| **Current Liabilities** | | |
| Loans and borrowings | 535 | 93 |
| Preference share liability ^ | - | 51 000 |
| Trade and other payables | 36 631 | 25 395 |
| Current tax payable | 29 | - |
| | **37 195** | **76 488** |
| **Total Liabilities** | **39 298** | **77 922** |
| **Total Equity and Liabilities** | **155 626** | **155 752** |

Refer supplementary note 3.

# SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| Profit before taxation | 42 710 | 41 644 |
| Adjusted for non-cash items [A] | 10 909 | (2 560) |
| Working capital changes | (1 621) | (6 703) |
| **Cash generated from operations** | **51 998** | **32 381** |
| Net finance cost | (83) | (3 825) |
| Taxation paid | (8 140) | (15 265) |
| **Net cash flow from operating activities** | **43 775** | **13 291** |
| **Cash flows from investing activities** | | |
| Additions to plant and equipment | (3 188) | (2 523) |
| Proceeds on disposal of plant and equipment | 11 | 40 |
| Movement in treasury shares – Share Incentive Scheme | - | (4 318) |
| Additions to intangible assets | (2 780) | (3 145) |
| Disposal/acquisition of a subsidiary | - | (13 016) |
| **Net cash flow used in investing activities** | **(5 957)** | **(22 962)** |
| **Cash flows from financing activities** | | |
| Repurchase and cancellation of shares in issue – Aucom transaction | - | (20 000) |
| Movement in loans and borrowings | 1 222 | 305 |
| Repayment of preference shares [B] | (51 000) | - |
| **Net cash flow (used in) / from financing activities** | **(49 778)** | **(19 695)** |
| Net (decrease) / increase in cash and cash equivalents for the year | (11 960) | (29 366) |
| Cash and cash equivalents at the beginning of the year | 65 083 | 94 481 |
| Effect of exchange rate movement on cash balances | (1 444) | (32) |
| **Total cash and cash equivalents at end of the year** | **51 679** | **65 083** |

A. Non-cash items mainly consist of depreciation, unrealized foreign exchange gains/losses and share-based payments. In the comparative period, the non-cash items also include the profit on disposal of Aucom of R11 million.

B. Refer supplementary note 3.

# SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000 | Share capital and preference shares | Share premium | Share based payment reserve | FCTR | Accumu lated loss | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 1 July 2016** | **897** | **226 369** | **2 430** | **(299)** | **(95 751)** | **133 646** |
| Total comprehensive income for the year: | - | - | - | (4 722) | 31 822 | 27 100 |
| - Profit for the year | - | - | - | - | 31 822 | 31 822 |
| - Foreign currency translation reserve | - | - | - | (4 722) | - | (4 722) |
| Reallocation of preference shares in anticipation of settlement | (889) | - | - | - | - | (889) |
| Share-based payment charge for existing options | - | - | 2 291 | - | - | 2 291 |
| Share buy-back – disposal of Aucom | (1) | - | - | - | (59 998) | (59 999) |
| Share buy-back – specific repurchase | (1) | (20 000) | - | - | - | (20 001) |
| Movement in treasury shares | * | (4 318) | - | - | - | - |
| **Balance at 30 June 2017** | **6** | **202 051** | **4 721** | **(5 021)** | **(123 927)** | **77 830** |
| Total comprehensive income for the year: | - | - | - | 2 872 | 32 919 | 35 791 |
| - Profit for the year | - | - | - | - | 32 919 | 32 919 |
| - Foreign currency translation reserve | - | - | - | 2 872 | - | 2 872 |
| Share-based payment charge for existing options | - | - | 2 707 | - | - | 2 707 |
| Ad-hoc share based payment charge | - | - | 2 100 | - | - | 2 100 |
| Settlement of ad-hoc share-based payment | - | - | (2 100) | - | - | (2 100) |
| **Balance at 30 June 2018** | **6** | **202 051** | **7 428** | **(2 149)** | **(91 008)** | **116 328** |

* Nominal amount – amount smaller than R1 000.

# SEGMENTAL ANALYSIS

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| **Continuing Operations** | | |
| **Segmental revenue** | | |
| Alaris Antennas | 121 968 | 123 044 |
| - Total revenue | 123 267 | 123 920 |
| - Inter-segmental | (1 298) | (876) |
| COJOT | 65 107 | 36 306 |
| - Total revenue | 66 544 | 37 353 |
| - Inter-segmental | (1 437) | (1 047) |
| | **187 075** | **159 350** |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | | |
| Alaris Antennas | 44 840 | 51 765 |
| COJOT | 19 309 | 4 254 |
| Corporate and consolidation | (16 254) | (14 083) |
| | **47 895** | **41 936** |
| **Profit / (loss) for the year** | | |
| Alaris Antennas | 32 541 | 34 946 |
| COJOT | 14 945 | 3 854 |
| Corporate and consolidation | (14 567) | (15 798) |
| | **32 919** | **23 002** |
| **Normalised earnings after tax for the year** | | |
| Alaris Antennas | 32 541 | 34 962 |
| COJOT | 14 945 | 3 854 |
| Corporate and consolidation | (12 069) | (15 380) |
| | **35 417** | **23 436** |
| **Discontinued Operation** | | |
| **Segmental revenue** | | |
| Aucom | - | 69 308 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | | |
| Aucom | - | 218 |
| **Profit / (loss) for the period** | | |
| Aucom | - | 252 |
| Corporate and consolidation | - | 8 568 |
| | **-** | **8 820** |

## SEGMENT ASSETS AND LIABILITIES

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| **Segment assets** | | |
| Alaris Antennas | 86 830 | 60 748 |
| COJOT | 22 570 | 17 639 |
| Corporate and consolidation | 46 226 | 77 365 |
| | **155 626** | **155 752** |
| **Segment liabilities** | | |
| Alaris Antennas | (26 788) | (18 969) |
| COJOT | (10 703) | (6 808) |
| Corporate and consolidation | (1 807) | (52 145) |
| | **(39 298)** | **(77 922)** |

## 1. RECONCILIATION OF HEADLINE EARNINGS TO PROFIT AND NORMALISED EARNINGS

| R'000 | Audited June 2018 | Audited June 2017 |
|---|---|---|
| **Headline earnings attributable to ordinary shareholders** | **32 919** | **22 502** |
| Profit on disposal of discontinued operation | - | 9 320 |
| **Profit for the year** | **32 919** | **31 822** |
| Legal and consulting costs for acquisitions and disposals | 2 498 | 434 |
| Profit on disposal of discontinued operation | - | (9 320) |
| Loss from discontinued operation | - | 500 |
| **Normalised earnings after tax comprising** [A] | **35 417** | **23 436** |
| Alaris Antennas | 32 541 | 34 962 |
| COJOT | 14 945 | 3 854 |
| Corporate and consolidation [B] | (12 069) | (15 380) |
| Weighted average number of ordinary shares in issue | 116 116 771 | 153 985 264 |
| **Normalised earnings per ordinary share (cents)** | **30.50** | **15.22** |

A. Normalised earnings, as determined by the Alaris Group, is calculated by adjusting profit for the reversal of the legal and consulting fees for acquisitions and disposals as well as the loss on discontinued operation and profit (net after tax) on the disposal of Aucom in the comparative period.

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

## 2. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

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

## 3. REPAYMENT OF PREFERENCE SHARES

Shareholders are referred to the SENS announcement dated 30 June 2017 regarding the redemption of redeemable convertible preference shares. Alaris Holdings Limited and PSG Alpha Investments Proprietary Limited ("PSG Alpha") had entered into a Preference Share Subscription Agreement on 4 March 2014 in terms of which PSG Alpha subscribed for, and the Company issued, 20 400 000 redeemable, convertible preference shares of no par value ("Preference Shares"), at a subscription price of R2.50 per Preference Share for a total subscription consideration of R51 million.

In terms of the Preference Share Subscription Agreement, Alaris Holdings Limited would be obliged to redeem the Preference Shares on the first business day following the third anniversary of the effective date, being 3 July 2017 ("Redemption Date"), to the extent that Preference Shares had not been converted by PSG Alpha prior to the Redemption Date.

PSG Alpha has not converted the Preference Shares given that the Alaris share price at the Redemption date was lower than the conversion price of the Preference Shares. Accordingly, the total consideration of R51 million was repaid on 3 July 2017. This had a positive impact by not resulting in further dilution of shares in issue.

**4. STATEMENT OF COMPLIANCE**

Alaris Holdings Limited is a South African registered company. This 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 an extract from audited information but is in itself not audited.

**5. BASIS OF PREPARATION**

The summarised consolidated financial statements are prepared in accordance with the requirements of the Listings Requirements of the JSE Limited ("JSE Listings Requirements") for preliminary reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summarised financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS); the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and 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. New standards adopted did not have a material effect on the financial result.

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, Gisela Heyman CA(SA).

**6. REPORT OF THE INDEPENDENT AUDITORS**

The summarised consolidated financial statements are extracted from the audited consolidated financial statements but is itself 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 preliminary 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 2018.

## 7. SUBSEQUENT EVENTS

Shareholders are referred to the SENS announcement dated 21 May 2018 regarding the acquisition of a US based company through its subsidiary Alaris Investment Holdings UK Limited ("Alaris UK").

The purchase consideration for the Acquisition shall be US$2,750,000 ("Purchase Consideration") of which an amount of US$2,062,500 shall be paid in cash ("Cash Consideration") and the balance of US$687,500 shall be settled by way of issuing shares in the share capital of the Company to the Sellers, subject to a net working capital adjustment that will be settled in cash, which is not anticipated to be material. The maximum consideration shares that may be issued in terms of the purchase consideration is capped at 5,000,000 Alaris shares. The cash will be financed through excess cash available in the Group as well as a term loan of approximately R15 million.

Closing of the Acquisition shall occur on the third business day following the date on which all the Closing Conditions have been satisfied ("Closing Date") and shall be deemed effective on the first calendar day of the month after the Closing Date.

The value of the net assets and the profits attributable to the net assets that are the subject of the transaction will be announced in due course.

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

## 8. GOING CONCERN

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

## 9. DIRECTORATE

Mr N de Waal resigned as non-executive director on 17 October 2017 and Mr A Mellet was appointed as a non-executive director on the same date. Mr A Mellet was previously serving as alternate director to Mr N De Waal. Mr C van der Merwe was appointed as an independent non-executive director on 1 June 2018. No further changes to the board took place during the period under review, up to and including the date of this report.

By order of the board

**Jürgen Dresel**
*Group Chief Executive Officer*

**Gisela Heyman**
*Group Financial Director*

10 September 2018
Johannesburg

# CORPORATE INFORMATION

**ALARIS HOLDINGS LIMITED**
**(incorporated in the Republic of South Africa)**
www.alarisholdings.com

**Directors**

Coen Bester*^ (Chairman),

Jürgen Dresel # (CEO),

Richard Willis*^,

Andries Mellet^,

Carel van der Merwe *^,

Gisela Heyman (Financial Director)

*Independent
^Non-executive
#German

**Business address and registered office**

1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0061)

**Designated Adviser**

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

**Company Secretary**

Fusion Corporate Secretarial Services

**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

**PRINCIPAL SUBSIDIARIES**

**Alaris Antennas Proprietary Limited**

Registration Number 2013/048197/07
Alaris Antennas Division
Managing Director: Jürgen Dresel
1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
Tel +27 (0)11 034 5300

**COJOT Oy**

Registration Number 0620465-3
COJOT Division
Managing Director: Samu Lentonen
PL 59,
02271 Espoo,
Finland
Tel +358 (0) 9 452 2334

**Business address and registered office**
1 Travertine Avenue, N1 Business Park, Old
Johannesburg Road, Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0166)
Tel +27 (0)11 034 5300
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