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**")

UNAUDITED CONDENSED CONSOLIDATED RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Summary

- Revenue decreased by 17% from R102.6 million to R85.0 million.
- Normalised earnings for the Group decreased by 64% from R21.7 million to R7.8 million.
- The US acquisition was successfully concluded and consolidated with an effective date of 1 October 2018.

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 3 subsidiaries, namely:

Alaris Antennas, with its head office in Centurion, designs, 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.

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

Business Overview

The results of the combined operations for the first half were lower than the comparative period. Revenue was down by 17% and the basic and headline earnings per ordinary share decreased by 71% from 18.62 cents to 5.41 cents.

The decrease is mainly from a decline in revenue at Alaris Antennas and COJOT compared to the corresponding interim period. A significant portion of the Group's performance is associated with long sales cycles on larger opportunities with six to twelve month delivery timeframes. The timing of these opportunities can impact the results significantly.

The group had a very strong comparative first half in FY18 with COJOT posting an exceptional performance. This year's first half revenue has been impacted by a low order intake in the first quarter.

Recently acquired mWAVE has been consolidated into the Group for three months during this period. Therefore their results didn't have a significant impact on the Group's performance with revenue of R9.0 million and Profit after tax ("PAT") of R0.1 million.

The Group's cash position at 31 December 2018 was R18.5 million. The purchase of mWAVE was facilitated by a cash payment to the amount of US$2.3 million (R30.2 million) and by issuing 4.9 million shares to the Sellers.

Alaris Antennas

Revenue decreased by 14% from R62.7 million to R53.9 million and PAT decreased from R15.5 million to R9.4 million.

Alaris Antennas experienced lower revenue for the period, impacted by a delay in closing orders and a higher proportion of precision engineering projects, which took longer to complete.

It is beneficial for Alaris Antennas to get more involved in the larger precision engineering projects. Although they have a complex initial design component (which can take long), there is more scope for future simpler and profitable "production-only" orders once the work has been "designed in" to a larger system. The challenge is to complete the initial design process in a timely and cost effective manner, given the advanced technical requirements.

Measures have been put in place to counter the impact of the design process. These include placing more importance on upfront project assessments with increased effort on understanding the technical risks, scope, pricing and timelines.

The company's competitive advantage remains its ability to develop cutting-edge technology solutions for its clients. This half year it was no different as the company added 23 (2018: 33) new products to its portfolio. Some of these projects resulted in a prolonged delivery cycle given the intense technological requirements. A number of these projects will be delivered in the second half of the financial year.

COJOT

COJOT experienced a lower first half of the financial year, compared to the exceptional performance in the comparative period. Revenue decreased by 45% from R39.9 million to R22.1 million and PAT decreased from R11.8 million to R3.6 million.

The order intake increased positively during the latter part of the period. Deliveries of several orders are scheduled for the second half of the financial year.

mWAVE Industries

The acquisition of mWAVE has been successfully concluded during the second quarter of the year. The company specialises in parabolic grids, solid parabolic and directional panel antennas, as well as wide band feeds.

The mWAVE product portfolio is complementary to the Group. COJOT and Alaris Antennas do not offer the same antenna products. mWAVE's product range also covers higher frequency ranges than those offered by the other subsidiaries.

mWAVE maintains an antenna test range that is used to verify new antenna designs and final production, as well as third party testing for its customers.

mWAVE was incorporated into the Alaris Holdings Group from 1 October 2018, with a low profit contribution for the three months. The business should be assessed over a twelve-month period. Management remains positive about the opportunities of having a US presence and the prospects ahead.

During the past couple of months, the focus has been on the integration of mWAVE into the Group. Various operational activities are underway to align specific functions with the Group's objectives.

Corporate and consolidation

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

- Net foreign exchange gains of R0.5 million (Dec 2017: R0.1 million loss)
- Employee costs, cost of the share incentive option scheme for Group executives and board fees totalling R4.0 million (Dec 2017: R5.0 million)
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees, group audit fees and legal fees for the mWAVE acquisition totalling R2.9 million (Dec 2017: R1.1 million)

Prospects

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

Alaris Antennas

Alaris Antenna's competitive advantage is its ability to develop and own its IP as it continues to invest significantly in research and development. Our research and development division has received more prospects as the quest for specialized technological advantages increases. This provides opportunities to the highly skilled and specialized team of engineers to support our objective of being the preferred supplier and partner of innovative RF products.

Products are manufactured on site in Centurion and approximately 70% of the company's revenue for the period was derived from exports. With the global footprint of the Group expanding, new opportunities are created and the company is entering into new market segments where its core competencies can be leveraged. Further opportunities for growth are achieved by adding distributors, agents and new system houses as clients.

Part of the strategic objective to obtain a presence in the United States was to establish an Alaris US division, which will be an integral part of mWAVE. One of our key employees will relocate to the US and will head up the Alaris US division to champion the selling of Alaris and COJOT products in the US market.

COJOT

COJOT maintains a client centric approach similar to Alaris. The company makes use of a direct sales team and select channel partners to build their order book.

New opportunities are created from the requirement to development and design smart antennas and the company is working closely with its customers to address this need. Its team of highly skilled engineers has many years of experience in design and development to create solutions and products which allow functions like automatic frequency tuning, switched beam antennas and multiple port antennas.

The company has established strong partnerships with key contract manufacturers over the years. These partnerships provide efficiency and scalability as well as seamless quality to its client base.

The order intake bodes well for the second half.

mWAVE Industries LLC

mWAVE provides an ideal opportunity for future organic growth, as more than half of the global electronic warfare market is located in the US.

Several opportunities have been added to the order book and the sales team has managed to unlock opportunities with new and existing customers in this market.

We are optimistic that profits at mWAVE can be increased by improving margins and focusing on customised product sales.

Operational activities are underway to align the company with Group strategic objectives. These include a Customer Relationship Management system, which will improve interaction with the other subsidiaries and an in-house accounting function.

The establishment of an Alaris US division at mWAVE will have a positive effect on exposure and relationships.

The Group

The Group's three strategic pillars provide a solid foundation and unique position for growth to all three subsidiaries, being Alaris Antennas, COJOT and mWAVE. These key areas consist of extensive expertise in RF products, owning and continuously developing intellectual property and the global footprint of its products.

Sustainable organic growth will remain a strategic priority for the Group. As the operational activities are aligned across the Group, the combined operations allow existing and new customers to receive an improved service and an expanded product portfolio. The design and development of new products from the combined skill sets of the three companies will provide more competitive features, enabling increased performance for end users. The companies endeavor to continuously find the required technological edge for customers through product innovation and excellent service.

International expansion remains an important part of the Group's global strategy and management will continue to be on the lookout for acquisitions that fit the Group's objectives.

The Group remains positive about prospects for the period ahead. The focus is to ensure profitable organic and acquisitive growth for the Alaris Holdings Group and its subsidiaries.

Condensed consolidated statement of profit or loss and other comprehensive income

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Revenue	85 043	102 595	187 075
Cost of sales [A]	(27 699)	(27 770)	(53 589)
Gross profit	**57 344**	**74 825**	**133 486**
Other income	585	63	738
Operating expenses	(49 896)	(47 344)	(91 502)
Trading operating profit [B]	**8 033**	**27 544**	**42 722**
Finance income	180	140	380
Finance costs	(81)	(265)	(392)
Profit before taxation	**8 132**	**27 419**	**42 710**
Taxation	(1 727)	(5 794)	(9 791)
Profit for the period	**6 405**	**21 625**	**32 919**
Other comprehensive income net of tax:			
Items that may be reclassified subsequently to profit or loss:	**1 091**	**(592)**	**2 872**
- Gross foreign currency translation reserve	1 367	(551)	3 652
- Taxation	(276)	(41)	(780)
Total comprehensive income	**7 496**	**21 033**	**35 791**
Weighted average number of ordinary shares in issue [C]	118 436 265	116 116 771	116 116 771
Weighted average number of diluted ordinary shares in issue [C]	118 436 265	116 116 771	116 116 771
Basic earnings per ordinary share (cents)	5.41	18.62	28.35
Diluted earnings per ordinary share (cents)	5.41	18.62	28.35
Headline earnings per ordinary share (cents)	5.41	18.62	28.35
Diluted headline earnings per ordinary share (cents)	5.41	18.62	28.35
Normalised earnings per ordinary share (cents) [D]	6.56	18.69	30.50

A. Cost of sales is impacted by the MWAVE products that have a lower gross margin compared to the Alaris Antennas and COJOT product lines.
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.
D. Refer to supplementary note 1.

Condensed consolidated statement of financial position

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Assets			
Non-Current Assets			
Plant and equipment	7 351	7 301	6 619
Goodwill	51 213	24 749	26 582
Intangible assets	18 681	12 247	12 782
Deferred tax assets	1 688	3 802	2 539
	78 933	**48 099**	**48 522**
Current Assets			
Inventories	25 124	16 560	19 080
Current tax receivable	5 678	1 108	1 194
Trade and other receivables	38 841	48 882	35 151
Cash and cash equivalents	18 458	31 542	51 679
	88 101	**98 092**	**107 104**
Total Assets	**167 034**	**146 191**	**155 626**
Equity and Liabilities			
Equity			
Equity attributable to owners of the Company			
Share capital and preference shares	6	6	6
Share premium	210 164	202 051	202 051
Share-based payment reserve	8 856	5 796	7 428
Foreign currency translation reserve ("FCTR")	(1 058)	(5 613)	(2 149)
Accumulated loss	(84 603)	(102 302)	(91 008)
Total equity	**133 365**	**99 938**	**116 328**
Liabilities			
Non-Current Liabilities			
Loans and borrowings	1 309	1 299	1 141
Deferred tax liabilities	2 451	1 025	962
	3 760	**2 324**	**2 103**
Current Liabilities			
Loans and borrowings	461	301	535
Trade and other payables	29 448	35 010	36 631
Current tax payable	-	4 898	29
Bank overdraft	-	3 720	-
	29 909	**43 929**	**37 195**
Total Liabilities	**33 669**	**46 253**	**39 298**
Total Equity and Liabilities	**167 034**	**146 191**	**155 626**

Condensed consolidated statement of cash flows

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Profit before taxation	8 132	27 419	42 710
Adjusted for non-cash items	3 911	5 011	10 909
Working capital changes	(9 262)	(14 453)	(1 621)
Cash generated from operations	**2 781**	**17 977**	**51 998**
Net finance income/ (cost)	96	(125)	(83)
Taxation (paid)/received	(5 755)	508	(8 140)
Net cash (used in) /from operating activities	**(2 878)**	**18 360**	**43 775**
Cash flows from investing activities			
Additions to plant and equipment	(1 063)	(2 645)	(3 188)
Proceeds on disposal of plant and equipment	-	4	11
Additions to intangible assets	(177)	(1 215)	(2 780)
Acquisition of subsidiary [A]	(30 151)	-	-
Net cash used in investing activities	**(31 391)**	**(3 856)**	**(5 957)**
Cash flows from financing activities			
Repayment of preference shares	-	(51 000)	(51 000)
Receipts of loans and borrowings	94	1 147	1 222
Net cash from/ (used in) financing activities	**94**	**(49 853)**	**(49 778)**
Net decrease in cash and cash equivalents for the period	(34 175)	(35 349)	(11 960)
Cash and cash equivalents at the beginning of the year	51 679	65 083	65 083
Effect of exchange rate movement on cash balances	954	(1 912)	(1 444)
Total cash and cash equivalents at end of the half year	**18 458**	**27 822**	**51 679**

A. Refer to supplementary note 2.

Condensed consolidated statement of changes in equity

R'000	Share capital and preference shares	Share premium	Share based payment reserve	FCTR	Accumu-lated loss	Total equity
Six months ended						
Balance at 1 July 2018	**6**	**202 051**	**7 428**	**(2 149)**	**(91 008)**	**116 328**
Total comprehensive income for the period:	**-**	**-**	**-**	**1 091**	**6 405**	**7 496**
- Profit for the period	-	-	-	-	6 405	6 405
- Foreign currency translation reserve	-	-	-	1 091	-	1 091
Share-based payment charge for existing options	-	-	1 428	-	-	1 428
Shares issued for mWAVE acquisition	*	8 113	-	-	-	8 113
Balance at 31 December 2018	**6**	**210 164**	**8 856**	**(1 058)**	**(84 603)**	**133 365**
Balance at 1 July 2017	**6**	**202 051**	**4 721**	**(5 021)**	**(123 927)**	**77 830**
Total comprehensive income for the period	**-**	**-**	**-**	**(592)**	**21 625**	**21 033**
- Profit for the period	-	-	-	-	21 625	21 625
- Foreign currency translation reserve	-	-	-	(592)	-	(592)
Share based payment charge for existing options	-	-	1 075	-	-	1 075
Balance at 31 December 2017	**6**	**202 051**	**5 796**	**(5 613)**	**(102 302)**	**99 938**
Year ended						
Balance at 1 July 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

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Segmental revenue			
Alaris Antennas	53 943	62 713	121 968
- Total revenue	54 051	62 740	123 267
- Inter-segmental	(108)	(27)	(1 298)
COJOT	22 071	39 882	65 107
- Total revenue	22 685	40 480	66 544
- Inter-segmental	(614)	(598)	(1 437)
mWAVE [A]	9 029	-	-
- Total revenue	9 029	-	-
	85 043	**102 595**	**187 075**
Earnings before interest, tax, depreciation and amortisation (EBITDA) [B]			
Alaris Antennas	13 472	21 711	44 840
COJOT	4 789	15 106	19 309
mWAVE [A]	204	-	-
Corporate and consolidation	(7 314)	(6 790)	(16 254)
	11 151	**30 027**	**47 895**
Profit for the period			
Alaris Antennas	9 367	15 492	32 541
COJOT	3 579	11 763	14 945
mWAVE [A]	146	-	-
Corporate and consolidation	(6 687)	(5 630)	(14 567)
	6 405	**21 625**	**32 919**
Normalised earnings after tax for the period			
Alaris Antennas	9 367	15 492	32 541
COJOT	3 579	11 763	14 945
mWAVE [A]	146	-	-
Corporate and consolidation	(5 322)	(5 556)	(12 069)
	7 770	**21 699**	**35 417**

Segment assets and liabilities

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Segment assets			
Alaris Antennas	72 792	77 753	86 830
COJOT	16 859	33 245	22 570
mWAVE [A]	14 581	-	-
Corporate and consolidation	62 802	35 193	46 226
	167 034	**146 191**	**155 626**
Segment liabilities			
Alaris Antennas	(20 217)	(25 848)	(26 788)
COJOT	(7 468)	(15 481)	(10 703)
mWAVE [A]	(3 402)	-	-
Corporate and consolidation	(2 582)	(4 924)	(1 807)
	(33 669)	**(46 253)**	**(39 298)**

A. mWAVE results are consolidated into the Group from 1 October 2018.

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

RECONCILIATION OF PROFIT TO NORMALISED EARNINGS

	Unaudited six months ended		Audited
R'000	**December 2018**	**December 2017**	**June 2018**
Profit for the year	**6 405**	**21 625**	**32 919**
Legal and consulting costs for acquisitions and disposals	1 365	74	2 498
Normalised earnings after tax comprising [A]	**7 770**	**21 699**	**35 417**
Alaris Antennas	9 367	15 492	32 541
COJOT	3 579	11 763	14 945
mWAVE	146	-	
Corporate and consolidation [B]	(5 322)	(5 556)	(12 069)
Weighted average number of ordinary shares in issue	118 436 265	116 116 771	116 116 771
Normalised earnings per ordinary share (cents)	**6.56**	**18.69**	**30.50**

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

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

1. BUSINESS COMBINATION

As announced on SENS the Group concluded an agreement to acquire 100% of the issued share capital of mWAVE Industries LLC (“the Acquisition”). All conditions precedent to the Acquisition as per the agreement were fulfilled and the results of mWAVE were included in the Group results from 1 October 2018.

Identifiable net assets and liabilities acquired consist of: **R’000**	**Recognised values**	**Fair value adjustments**	**Carrying amount**
Plant and equipment	974	-	974
Intangible assets	-	7 326	7 326
Inventories	6 371	-	6 371
Trade and other receivables	6 770	-	6 770
Cash and Cash equivalents	2 238	-	2 238
Deferred tax	-	(1 582)	(1 582)
Trade and other payables	(5 485)	-	(5 485)
Total identifiable net assets	**10 868**	**5 744**	**16 612**
Goodwill			23 890
Total purchase consideration			**40 502**
Less: consideration in shares (4.9 million shares)			(8 113)
Less: cash acquired			(2 238)
Net cash outflow			**30 151**

Illustrative example of the business combination’s impact for the period:	**Revenue**	**Profit after tax**
Reported per statement of profit and loss	85 043	6 405
Less: mWAVE acquisition	(9 029)	(146)
	76 014	6 259
Estimated impact of business combination (if acquired 1 July 2018)	19 796	261
Estimated impact of the business combination for the period (1 July to 31 December 2018)	**95 810**	**6 520**

2. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

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

3. STATEMENT OF COMPLIANCE

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

The condensed consolidated interim financial statements for the six months ended 31 December 2018 are prepared in accordance with the International Financial Reporting Standard (“IFRS”), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

4. BASIS OF PREPARATION

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

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

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

IFRS 15 Revenue from contracts with customers

The Group's revenue is derived from 2 income streams:

1. Products that are fully configured where an order is received from the customer, the product is manufactured and then shipped to the customer. The point of recognition is dependent on the sales contract terms, known as the International Commercial Terms (Incoterms). As the transfer of risks and rewards generally coincides with the transfer of control at a point in time under the Incoterms, the timing and amount of revenue recognised by the Group for the sale of these products are not materially affected.
2. Products that are newly developed. For these products a sales contract exists where milestones are clearly defined which coincides with the definition of performance obligations in IFRS 15. The revenue is recognised at a point in time as per the performance obligations in the contract. Therefore, the timing and amount of revenue recognised by the Group for the sale of newly developed products are not materially affected.

The Group applied IFRS 15 using the cumulative effect method. There was no impact on the transition from IAS 18 to IFRS 15 and hence opening retained earnings have not been adjusted.

This standard will result in additional disclosures to the year-end annual financial statements.

IFRS 9 Financial Instruments

Impairment: The standard introduces an expected credit loss ("ECL") model for the assessment of impairment of financial assets held at amortised cost. This replaces the 'incurred loss' model in IAS 39. The Group has selected to use the simplified approach to calculate the expected credit loss.

Classification and measurement: The measurement and accounting treatment of the Group's financial assets have not materially changed. The financial assets consist of trade receivables and cash and cash equivalents. The trade receivables are now classified at amortised cost under IFRS 9 where it was classified as loans and receivables under IAS 39. The value of the gross debtors will not change.

The Group has taken an exemption not to restate comparative information for prior periods with respect to the classification and measurement (including impairment) requirements of IFRS 9. Differences in the carrying amounts of impairment from the transition of IAS 39 to IFRS 9 are immaterial. If comparative values had been restated, the impact would have been to decrease the Group's opening retained earnings at 1 July 2017 by R71 000. The effect of initially applying this standard is attributed to the impairment loss being calculated using the IFRS 9 ECL model.

This standard will result in additional disclosures to the year-end annual financial statements.

IFRS 2 Share-based payments

The amendment addresses the classification and measurement of the share-based payment transactions. This amendment does not have a material impact on the financial statements as the Group has classified share options as equity-settled share-based payments. With the recent addition of the net settlement feature at the annual general meeting in January 2019, the Group will continue to classify these as equity-settled share-based payments in line with the requirements of IFRS 2.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation applies to circumstances when an entity has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to be used on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date on which the entity initially recognises the non-monetary asset or liability.

The interpretation does not have a material impact on the Group financial statements. Revenue decreased by R206 000 and the foreign exchange profit increased by R206 000. The profit of the group remained the same.

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

Standard/ Interpretation	**Effective date: Years beginning on or after**	**Expected impact**
IFRS 3, *Business Combinations*	1 January 2019	The impact of the standard is not expected to be material.
IFRS 10 *Consolidated Financial Statements*	The effective date of this amendment has been deferred indefinitely until further notice.	The impact of the standard is not expected to be material.
IFRS 16 *Leases*	1 January 2019	A preliminary assessment is in the process of being done. Buildings are the most significant lease agreements that will affect the Group. The Group is quantifying the impact of operating leases to be capitalised. The capitalised right of use asset and liability will approximate the net present value of the future lease payments of the operating lease commitments as at 30 June 2020. The Group intends to apply the cumulative effect transition method and will not restate comparative amounts for the year prior to adoption.
IAS 12 *Income Taxes*	1 January 2019	The impact of the standard is not expected to be material.
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019	The impact of the standard is not expected to be material.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020	The impact of the standard is not expected to be material.

6. SUBSEQUENT EVENTS

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

7. 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.

8. DIVIDENDS

No dividend was declared for the period under review.

9. DIRECTORATE

Mr. P Anania was appointed as non-Executive Director to the Board on 1 November 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
19 March 2019
Johannesburg

Gisela Heyman
Group Financial Director

Corporate information

ALARIS HOLDINGS LIMITED
(incorporated in the Republic of South Africa)
www.alarisholdings.co.za

Directors
Coen Bester*^ (Chairman),
Jürgen Dresel # (CEO),
Richard Willis*^,
Peter Anania*^°,
Andries Mellet^,
Carel van der Merwe*^
Gisela Heyman (Financial Director and CFO)

*Independent
^Non-executive
#German
°American

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,
11 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
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
Managing Director: Samu Lentonen
PL 59,
02271 Espoo,
Finland
Tel +358 (0) 9 452 2234

mWAVE Industries LCC
Managing Director: Peter Farnum
33R Main Street, Unit 1,
Windham,
ME 04062
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