



**REUNERT**

REUNERT LIMITED

PRELIMINARY REVIEWED  
CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS

and cash dividend declaration for  
the year ended 30 September 2021

2021



# Contents

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Commentary	<b>1</b>
Condensed consolidated statement of profit or loss	<b>8</b>
Condensed consolidated statement of other comprehensive income	<b>9</b>
Condensed consolidated statement of financial position	<b>10</b>
Condensed consolidated statement of cash flows	<b>12</b>
Notes to the condensed consolidated statement of cash flows	<b>14</b>
Condensed consolidated statement of changes in equity	<b>15</b>
Notes	<b>17</b>
Condensed segmental analysis	<b>40</b>
Additional information	<b>46</b>
Administration	<b>47</b>

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# Commentary

## OVERVIEW

### Strong operating and financial performance

Reunert's 2021 attributable profit was a meaningful improvement compared with the prior year. The Group benefited from the restructuring and productivity improvement actions implemented in 2020, which created the base for this year's performance. The Group's companies generally managed the complex and volatile market environment extremely well to deliver solid operating performances, specifically in the Information Communication Technology (ICT) and Electrical Engineering segments, which resulted in an overall financial performance that demonstrates the resilience and responsiveness of our Group.

All the businesses in the ICT segment performed in line with, or slightly better than, the Group's expectations. Interest income at Quince Capital (Pty) Ltd (Quince) decreased in line with the lower interest rate environment. Improved performances were achieved in all the other business units in the segment, which delivered a segment operating profit slightly ahead of the prior year.

The Electrical Engineering segment's recovery was led by a strong performance from its circuit breaker business which included excellent export growth and improved market share in South Africa. This was augmented by the cable businesses which benefited from the prior year actions and much improved factory operational efficiency. Consequently, these businesses delivered a positive operating profit against an operating loss in the prior year.

The Applied Electronics segment had a challenging year as exports reduced because of a COVID-19 related inability to travel and secure new orders as well as long delays in the receipt of export permits from the appropriate authorities.

### Challenges

Despite the positive financial performance, 2021 remained challenging and the Group had four key challenges to contend with. These challenges included: COVID-19 lockdowns both in South Africa and in the Group's various export markets; the civil unrest in South Africa in July; the delay to secure export permits from the appropriate authorities; and the global electronic component shortage and general supply chain challenges.

These factors prevented the full recovery of our businesses and continue to adversely impact the Group, although we expect this impact to steadily diminish and for the Group's performance to continue to improve in the year ahead.

## GROUP RESULTS

Reunert's 2021 financial result was bolstered by a strong recovery in the Electrical Engineering segment, a good performance in the ICT segment and negatively impacted by the four challenges described above which impeded a stronger performance by the Group and resulted in a poor Applied Electronics segment performance. The Group revenue increased by 19% to R9 575 million (2020: R8 046 million) while the Group's operating profit grew by 405% to R1 050 million (2020: R208 million restated) resulting in headline earnings per share (HEPS) of 478 cents (2020: 115 cents) and earnings per share (EPS) of 483 cents (2020: 29 cents).

## Key earnings metrics

	Measurement criteria	Year ended 30 September		
		2021	2020 <sup>1</sup>	% change
Revenue	Rm	<b>9 575</b>	8 046	19
Segment operating profit <sup>2</sup>	Rm	<b>986</b>	868	14
Operating profit	Rm	<b>1 050</b>	208	405
Profit for the year	Rm	<b>767</b>	7	10 857
Earnings per share	cents	<b>483</b>	29	1 566
Headline earnings per share	cents	<b>478</b>	115	316
Total cash dividend per share	cents	<b>277</b>	257	8

<sup>1</sup> The comparative year information has been restated to include in operating profit all items of income and expenditure (excluding dividends received, interest income and expense and share of joint ventures' and associates' profit/(loss)).

<sup>2</sup> Per segmental analysis.

## CASH RESOURCES AND CASH LIQUIDITY

The Group continues to actively manage its cash generation despite:

- > needing to increase the stock holding for critical components due to the international supply disruptions caused by COVID-19;
- > the delay in certain sales in the Applied Electronics segment due to the slow approval of export permits; and
- > the dramatic increase in commodity prices such as copper and aluminium, which impacted both the Rand value of stock holdings and the trade receivable balances, as increased prices were passed onto customers.

The Group ended the financial year with R291 million in net cash resources (2020: R323 million) which, together with the significant lines of unutilised credit available from the Group's bankers, provides a solid financial base for the Group to pursue its strategy.

## CAPITAL EXPENDITURE

During the year under review, the Group continued to ensure the sustainability of its current operations and invested R42 million (2020: R32 million) in the replacement of property, plant and equipment and a further R196 million (2020: R138 million) to expand its operations. All expenditure was out of internal cash generation and represents 36,7% (2020: 17,4%) of free cash flow before replacement capital expenditure.

## STRATEGY

### Renewable Energy

The market dynamics that support our renewable energy businesses' growth projections improved materially in 2021. Key drivers of market growth for both embedded generation and power generation liberalisation were realised. The tangible improvement in the liberalisation of the South African power generation market bodes well for the continued growth of the renewable energy market for many years to come.

Within these positive market developments, our renewable energy strategy aims to:

- > be a leading supplier of Engineering, Procurement and Construction solar projects in embedded generation;
- > build, own and operate a significant suite of renewable assets both in South Africa and other key African geographies;
- > deliver high performance, ultra-reliable storage solutions across a broad range of applications; and
- > actively manage energy as South Africa moves to an increasing liberalised and distributed generation model.

Significant progress was made across all four of these strategic areas and renewable energy remains a key focus area for the Group. In particular, during its year under review, the Group established a Joint Venture "Lumika" with AP Moller Capital to pursue large scale renewable opportunities in chosen Africa geographies. 25% of Terra Firma the Group's solar PV renewable business has been sold to Lumika. The Group's residual interest of 65% will be sold to Lumika within the next 3 financial years via an agreed put and call mechanism. This will create a combined business with the ability to design, build, operate and finance significant solar projects both in South Africa and the broader African market.

### **Solutions and Systems Integration**

Our launch of the Solutions and System Integration cluster in the ICT segment progressed well in 2021. During the year +OneX completed two acquisitions in cloud hosting and digital media, which expanded its service offering alongside the existing managed services and unified communications capabilities. We expect to conclude further acquisitions in the year ahead as we bolster the offerings that enable +OneX to be a leading end-to-end business transformation partner.

### **Cable operations in Africa**

Reunert continued to reduce its exposure to cable assets in Africa with the sale of 26% of its shareholding in CAFCA, our Zimbabwean cable operation, before the end of the financial year. Post year-end a further 16% was sold reducing our shareholding to 28%, where it is expected to remain. The total consideration for these sales amounted to R56 million (of which R29 million relates to the post year-end sale).

### **Black Economic Empowerment (BEE)**

Reunert's strategic BEE arrangement has reached the end of its contractual term. We thank Peotona for their appreciated contribution over the past 15 years. The restructuring of Reunert's BEE credentials increases our emphasis on broad based economic value creation. This will be achieved by:

- > increasing the ownership in Reunert by the Rebatona Educational Trust. The trust caters for the education needs of underprivileged black females; and
- > the establishment of an Employee Share Option Plan (ESOP) for Reunert employees.

These two initiatives are expected to deliver value into the hands of underprivileged black females and our employees. The new structure is aligned to the best practices and principles of modern BEE standards. The benefits of this new structure, together with the direct black shareholdings in the Group's various trading entities, upholds Reunert's market leading empowerment credentials, which Reunert's businesses need to participate in the South African market.

The proposed actions revitalising this structure will be presented to shareholders for their approval at the general meeting to be held immediately prior to the 2022 AGM.

## COVID-19

### Operations and employees

COVID-19 continued to have a detrimental impact on the Group. Our companies ensured safe working environments for employees and that safety protocols were adhered to. Despite the strong health and safety protocols, infections continued during the year. Unfortunately, 16 employees succumbed to COVID-19. We take this moment to recognise these employees and reiterate our condolences to their families and fellow employees.

### Markets

COVID-19 affected the markets that our businesses service. In South Africa the tourism and hospitality markets continued to be affected by the lockdowns and the education sector continues to experience volatile demand as places of learning have yet to return to normal schedules.

Importantly, most of the key markets that support our businesses have recovered. Outside of tourism, hospitality and education, the Small and Medium Enterprise market that the Group services, has largely recovered and our Communications cluster is benefiting from strong last mile broadband connectivity demand.

The key international markets had their own lockdowns and, together with the ban on South Africans traveling internationally, our export activities in the Applied Electronics segment were impeded. Pleasingly, travel bans to several of our key markets have recently been lifted and an immediate improvement in orders has been achieved.

### Supply chain

COVID-19 has severely impacted global supply chains. Electronic components and inbound and outbound logistics have been impacted through lack of availability, longer lead times, more complex routings and the resulting increased costs. Solutions have been implemented around the Group and, whilst we expect supply chain challenges for most of 2022, the situation is already much improved.

## SEGMENTAL REVIEW

### Electrical Engineering Segment

The segment recovered strongly from a challenging 2020 led by an excellent performance of the circuit breaker business in both local and export markets. The actions taken in 2020 to rationalise the cable companies' cost base in line with the expected market volumes, and reduce our exposure to forex movements in Zambia, yielded the desired outcomes and in 2021 the companies improved their operational efficiencies. This led to a 47% increase in segment revenue to R5 551 million (2020: R3 767 million) with a corresponding increase in segment operating profit to R373 million (2020: R28 million restated).

### ICT Segment

The segment improved on the performance of the past year with all companies achieving solid operating performances. Nashua Office Automation leveraged its strong market position and customer relationships to significantly recover in its traditional print business as well as continue its strong growth in new complementary products and services. The Communications cluster continued to grow strongly as growth in broadband connectivity accelerated and the general economic activity improved. The Finance cluster performed well in a tight credit and collection environment. Our businesses have some exposure to markets that continue to be negatively impacted by COVID-19, which impeded a stronger segment performance. The good performance resulted in revenue remaining nominally flat at R2 490 million (2020: R2 524 million). Segment operating profit increased slightly to R608 million (2020: R604 million). The segment's operating profit was impacted largely due to the lower interest yield in Quince because of the low interest rate environment.

## Applied Electronics Segment

The segment had a challenging year. Our export activity fell significantly and resulted in revenue reducing by 5% to R1 854 million (2020: R1 951 million) and segment operating profit decreased by 63% to R100 million (2020: R269 million restated).

The segment continued to be impacted by three of the four key challenges outlined above:

- > COVID-19 lockdowns both in South Africa and in key export markets together with travel bans made servicing customers, completing orders and gaining new sales extremely difficult.
- > The supply chain impact of both shortages in critical electronic components and lengthened supply chains due to the COVID-19 disruptions in logistics impacted production and inventory holdings
- > The ongoing delays in receiving export permits from the appropriate authorities resulted in various sales not being executed in the 2021 financial year

Subsequent to the financial year end, the segment has been able to secure large new orders as travel restrictions lifted, which will lift the performance of the segment as it delivers into these orders in the second half of 2022.

## DIRECTORATE

The chair of the Board, Mr TS Munday, and the lead independent director, Mr SD Jagoe, will both be retiring at the forthcoming AGM in February 2022.

As a consequence of these retirements, the following changes in the responsibilities of various Board members will take place with effect from the February 2022 AGM:

- > Mr MJ Husain will chair the Board and the Nomination and Governance Committee; and
- > Mr JP Hulley will assume the role of lead independent director and continue to chair the Risk Committee.

Furthermore, the following additional changes in responsibilities due to the normal rotational practices by the Board will take place and be effective from 1 January 2022:

- > Dr MT Matshoba-Ramuedzisi will chair the SET Committee; and
- > Ms T Abdool-Samad will chair the Remuneration Committee and continue to chair the Investment Committee.

The remaining Board members take this opportunity to thank Trevor Munday and Sean Jagoe for their invaluable advice, sage counsel and support over many years at both the Board and the various Board committees they have actively led and participated at during their tenure on the Board.

They will be sorely missed.

## APPRECIATION

Our companies have faced great challenges over the past two years. We have weathered these well and the recovery of our businesses in 2021 is largely due to the commitment and resilience of our employees across the Group. We thank them for their efforts and look forward to their continued commitment. Our customers remain the lifeblood of our businesses and we thank them for their valued business and commit to continue to add value in the years ahead. We value the support of our suppliers and from other stakeholders that we have experienced throughout the past year.

## PROSPECTS

Reunert expects the South African macro-economic conditions to continue to steadily improve during 2022. Accordingly, the Electrical Engineering and ICT segments should experience moderately improved market demand on the back of accelerating renewable energy infrastructure investment and the improvement in the South African economy. The strength of the underlying businesses in these two segments position them well to continue to grow in such economic environments. Due to the recent relaxation in international travel restrictions, the Applied Electronics segment has secured new export orders and this should support an improved segment performance.

The Group's first half is likely to face some pressure from:

- > the impact of the union strike action in October on the Electrical Engineering segment;
- > the time taken to acquire the production requirements for new export orders in the Applied Electronics segment before revenue is earned.

These impacts are both temporary and unlikely to affect the expected full year performance of the Group.

While recognising that challenges and uncertainty due to COVID-19 and global supply chain constraints remain, our key growth markets of renewable energy, exports and our Solutions and Systems Integration clusters all continue to represent a strong underpin to our growth aspirations.

## CASH DIVIDEND

Notice is hereby given that a gross final cash dividend No 191. of 207,0 cents per ordinary share (September 2020: 192,0 cents per ordinary share) has been declared by the directors for the year ended 30 September 2021.

The dividend has been declared from retained earnings, bringing the total dividends declared for the year to 277,0 cents per ordinary share.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt from, or who do not qualify for, a reduced rate of withholding tax.

Accordingly, for those shareholders subject to withholding tax, the net dividend amounts to 165,60000 cents per ordinary share (September 2020: 153,60000 cents per ordinary share).

The issued share capital at the declaration date is 184 969 196 ordinary shares.

In compliance with the requirements of Strate (Pty) Ltd and the Listings Requirements of the JSE Limited, the following dates are applicable:

Last date to trade (cum dividend)	Tuesday, 18 January 2022
First date of trading (ex dividend)	Wednesday, 19 January 2022
Record date	Friday, 21 January 2022
Payment date	Monday, 24 January 2022

Shareholders may not dematerialise or rematerialise their shares between Wednesday, 19 January 2022 and Friday, 21 January 2022, both days inclusive.

On behalf of the Board of directors



**Trevor Munday**  
Chair



**Alan Dickson**  
Chief Executive Officer



**Nick Thomson**  
Chief Financial Officer

Sandton, 22 November 2021

## Condensed consolidated statement of profit or loss

for the year ended 30 September 2021

Rm	Notes	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>	% change
Revenue	2	9 575	8 046	19
Operating expenses	3	(8 524)	(7 252)	18
Operating profit before impairment of financial assets:		1 051	794	32
Impairment of financial assets		(1)	(586)	(100)
Credit write-off	3, 6	(20)	(298)	(93)
Expected credit losses	3, 6	19	(288)	107
Operating profit	3	1 050	208	405
Interest and dividend income	4	28	41	(32)
Interest expense	5	(70)	(83)	(16)
<b>Profit before tax</b>		<b>1 008</b>	166	507
Tax		(265)	(82)	223
<b>Profit after tax</b>		<b>743</b>	84	785
Share of joint ventures' and associates' profit/(loss)		24	(77)	131
<b>Profit for the year</b>		<b>767</b>	7	10 857
<b>(Loss)/profit for the year attributable to:</b>				
Non-controlling interests		(10)	(40)	(75)
Equity holders of Reunert		777	47	1 553
<b>Earnings per share (cents)</b>				
Basic	10	483	29	1 566
Diluted	10	481	29	1 559

<sup>1</sup> The consolidated statement of profit or loss has been restated to include in operating profit all items of income and expenditure (excluding dividends received, interest income and expense and share of joint ventures' and associates' profit/(loss)). Refer to note 14.

# Condensed consolidated statement of other comprehensive income

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed
<b>Profit for the year</b>	<b>767</b>	7
<b>Other comprehensive income, net of tax:</b>		
Items that may be reclassified subsequently to profit or loss	<b>2</b>	(56)
Translation differences of foreign businesses	<b>1</b>	30
Translation loss on net investment in subsidiary <sup>1</sup>	–	(87)
Fair value remeasurement gain of financial asset	<b>1</b>	1
<b>Total comprehensive income</b>	<b>769</b>	(49)
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	<b>(6)</b>	(62)
– Share of loss for the year	<b>(10)</b>	(40)
– Share of other comprehensive income	<b>4</b>	(22)
Equity holders of Reunert	<b>775</b>	13
– Share of profit for the year	<b>777</b>	47
– Share of other comprehensive income	<b>(2)</b>	(34)

<sup>1</sup> Translation loss arising on the loan component of the Group's net investment in a foreign subsidiary. During the 2021 financial year, no translation gains/(losses) arose on the Group's net investment in this foreign subsidiary because the underlying instrument (which gave rise to the translation gain or loss) was converted to equity at the end of the 2020 financial year.

# Condensed consolidated statement of financial position

as at 30 September 2021

Rm	Notes	2021 Reviewed	2020 Reviewed
<b>Non-current assets</b>			
Property, plant and equipment		858	795
Investment property		23	31
Right-of-use assets		146	186
Intangible assets		444	445
Goodwill	7	934	924
Other investments and loans		65	61
Investments in joint ventures and associates		99	74
Investment at fair value through profit or loss	8	76	–
Derivative financial assets	9	41	–
Lease receivables		410	557
Loan receivables		1 393	1 221
Deferred tax assets		145	172
		<b>4 634</b>	<b>4 466</b>
<b>Current assets</b>			
Tax receivable		115	46
Inventory		1 743	1 483
Lease receivables		273	288
Loan receivables		400	507
Trade and other receivables		2 097	1 895
Derivative financial assets		7	12
Cash and cash equivalents		1 068	1 029
		<b>5 703</b>	<b>5 260</b>
<b>Total assets</b>		<b>10 337</b>	<b>9 726</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		389	389
Share-based payment reserves		219	217
Empowerment shares		(276)	(276)
Treasury shares		(447)	(342)
Equity transactions/put option with non-controlling interests		(72)	–
Other reserves		(163)	(161)
Retained earnings		7 045	6 678
Equity attributable to equity holders of Reunert		<b>6 695</b>	<b>6 505</b>
Non-controlling interests		87	38
<b>Total equity<sup>1</sup></b>		<b>6 782</b>	<b>6 543</b>

<sup>1</sup> Refer to the statement of changes in equity for the composition of all components of equity.

Rm	Notes	2021 Reviewed	2020 Reviewed
<b>Non-current liabilities</b>			
Deferred tax liabilities		158	89
Equity forward contract		48	59
Long-term loans		44	15
Lease liabilities		100	162
Derivative financial liabilities	9	92	–
Contract liabilities		–	23
Contingent consideration	12	10	–
		<b>452</b>	348
<b>Current liabilities</b>			
Put option liability	13	25	–
Equity forward contract		18	16
Current portion of long-term loans		39	1
Lease liabilities		85	56
Share-based payment liability		–	6
Derivative financial liabilities		17	28
Provisions		81	123
Tax liabilities		21	50
Contract liabilities		264	255
Trade and other payables		1 776	1 594
Bank overdrafts and short-term facilities		777	706
		<b>3 103</b>	2 835
<b>Total equity and liabilities</b>		<b>10 337</b>	9 726

# Condensed consolidated statement of cash flows

for the year ended 30 September 2021

Rm	Notes	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>
<b>Cash flows from operating activities</b>			
Cash generated from operations before working capital changes	A	1 158	1 136
(Increase)/decrease in net working capital		(200)	21
Cash generated from operations		958	1 157
Cash interest received		26	38
Dividends received		2	3
Cash interest paid		(66)	(75)
Tax paid		(272)	(145)
Net cash inflow from operating activities before dividends		648	978
Dividends paid (including to non-controlling interests in subsidiaries)		(428)	(727)
<b>Net cash inflow from operating activities</b>		<b>220</b>	<b>251</b>
<b>Cash flows from investing activities</b>			
Cash received from loan receivables		966	798
Cash invested in loan receivables		(893)	(970)
Repayment of other investments and loans		–	3
Other investments and loans granted		(8)	(1)
Dividends received from joint venture and associate		6	3
Replacement of property, plant and equipment and intangible assets		(42)	(32)
Proceeds from disposal of property, plant and equipment		37	8
Expansion of property, plant and equipment and intangible assets		(196)	(138)
Acquisition of businesses		(8)	–
Proceeds from/(outflow on) disposal of investment, subsidiary and associate		37	(4)
<b>Net cash outflow from investing activities</b>		<b>(101)</b>	<b>(333)</b>

Rm	Notes	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>
<b>Cash flows from financing activities</b>			
Funds provided by equity holders of Reunert		–	1
Shares acquired for equity settled Conditional Share Plan (CSP)		(11)	(54)
Proceeds from subscription for shares by non-controlling interests		68	–
Investment in treasury shares		(105)	–
Purchase of additional shares acquired from non-controlling interests		(31)	(1)
Put option liability settled		–	(131)
Long-term loans raised		47	2
Long-term loans settled		(9)	–
Contingent consideration settled		(7)	(15)
Equity forward contract liability settled		(15)	–
Lease liabilities settled		(73)	(57)
<b>Net cash outflow from financing activities</b>		<b>(136)</b>	<b>(255)</b>
<b>Net decrease in net cash and cash equivalents</b>		<b>(17)</b>	<b>(337)</b>
<b>Net cash and cash equivalents as at 1 October as reported in the Statement of Financial Position</b>		<b>323</b>	<b>616</b>
<b>Net cash and cash equivalents as at 30 September before translation adjustments</b>		<b>306</b>	<b>279</b>
<b>Foreign exchange translation adjustments on:</b>			
Cash and cash equivalents		(6)	(1)
Bank overdrafts and short-term facilities		(9)	45
<b>Net cash and cash equivalents as at 30 September as reported in the Statement of Financial Position</b>		<b>291</b>	<b>323</b>
<b>Made up of:</b>			
<b>Cash and cash equivalents</b>		<b>1 068</b>	<b>1 029</b>
<b>Bank overdrafts and short-term facilities</b>		<b>(777)</b>	<b>(706)</b>
Bank overdrafts		(137)	(122)
Short-term facilities		(640)	(584)

<sup>1</sup> The consolidated statement of cash flows has been restated to provide clearer presentation of the following:

- Cash interest received and dividends received are now disclosed separately
- Cash flows from loan receivables have been disaggregated into cash receipts and cash payments on a gross basis
- Subtotals for investments to maintain/increase operating capacity have been removed
- The foreign exchange translation adjustments have been included below net cash and cash equivalents in order to reconcile the net cash and cash equivalents to the statement of financial position

The restatement did not result in a change in the 2020 reported numbers on the face of the consolidated statement of cash flows.

# Notes to the condensed consolidated statement of cash flows

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>
<b>A. Reconciliation of profit before tax to cash generated from operations before working capital changes</b>		
<b>Profit before tax</b>	<b>1 008</b>	166
<b>Adjusted for:</b>		
Cash interest received	(26)	(38)
Dividend received	(2)	(3)
Cash interest paid	66	75
Unwinding of present value discount	4	8
Depreciation of property, plant and equipment and right-of-use assets	192	184
Amortisation of intangible assets	61	56
Profit on disposal of property, plant and equipment and intangible assets	(12)	(4)
Profit on disposal of associate	(1)	–
Fair value remeasurements		
Gain on investment at fair value through profit or loss	(103)	–
Gain on contingent consideration	(13)	(2)
Gain on option contract	(41)	–
Loss on option contract	92	–
Loss on put option liability	–	3
Loss on disposal of subsidiary	1	20
Impairment of non-financial assets	1	79
Transaction-related share based payments	7	–
Share-based payment expense in respect of the Group's CSP	16	10
Share-based payment expense in respect of the Group's Deferred Bonus Plan	1	(3)
Cash paid to settle the Group's Deferred Bonus Plan	(6)	(22)
Net unrealised forex losses	16	48
Lease modification	(49)	(17)
Impairment of financial assets		
Credit write-off	20	298
Expected credit losses	(19)	288
Provisions movements	(57)	(5)
Other non-cash movements	2	(5)
<b>Cash generated from operations before working capital changes</b>	<b>1 158</b>	1 136

<sup>1</sup> The reconciliation of profit before tax to cash generated from operations before working capital changes has been restated as a result of the restatement to operating profit (refer to note 3 and note 14). This restatement provides a more detailed disclosure and did not result in a change to the 2020 reported numbers.

# Condensed consolidated statement of changes in equity

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed
Share capital	389	389
Balance at the beginning of the year	389	388
Issue of shares	–	1
Share-based payment reserves	219	217
Balance at the beginning of the year	217	229
In respect of CSP	18	9
Shares acquired to settle CSP	(11)	(54)
In respect of transaction-related share-based payments	7	–
Transfer (to)/from retained earnings	(12)	33
Equity transactions/put option with non-controlling shareholders	(72)	–
Balance at the beginning of the year	–	(108)
Additional shares acquired from non-controlling shareholders	(33)	14
Subscription for shares by non-controlling shareholders	(14)	–
Put option raised during the year	(25)	–
Transfer from retained earnings	–	94
Empowerment shares <sup>1</sup>	(276)	(276)
Treasury shares <sup>2</sup>	(447)	(342)
Balance at the beginning of the year	(342)	(342)
Shares bought back during the year	(105)	–
Equity forward contract <sup>3</sup>	(75)	(75)
Balance at the beginning of the year	(75)	–
Raised during the year	–	(75)
Foreign currency translation reserve	13	16
Balance at the beginning of the year	16	(11)
Other comprehensive income	(3)	27
Translation loss on net investment in foreign subsidiary	(109)	(109)
Balance at the beginning of the year	(109)	(47)
Other comprehensive income	–	(62)
Fair value reserve	8	7
Balance at the beginning of the year	7	6
Other comprehensive income	1	1

<sup>1</sup> This is the cost of Reunert Limited shares held by Bargenel Investments (Pty) Ltd (Bargenel), a company sold by Reunert to its empowerment partners in 2007. Until the amount owed by the empowerment partners is repaid to Reunert, Bargenel will continue to be consolidated into the Group's financial statements.

<sup>2</sup> Ordinary Reunert shares bought back in the open market and held by a subsidiary: 7 032 824 shares (2020: 4 997 698 shares). During 2021: 2 035 126 shares were bought back at an average price of R51,33 per share. No shares were bought back during the 2020 financial year.

<sup>3</sup> At the end of the 2020 financial year, the Group, on behalf of the CSP entered into a forward contract to acquire 2 346 930 ordinary Reunert shares from an independent third party, for purposes of hedging the Group's potential future obligation to deliver Reunert ordinary shares to CSP participants.

## Condensed consolidated statement of changes in equity (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed
Retained earnings	7 045	6 678
Balance at the beginning of the year	6 678	7 473
Profit for the year attributable to equity holders of Reunert	777	47
Cash dividends paid	(422)	(723)
Tax deduction in respect of CSP	–	8
Transfer from/(to) other reserves	12	(127)
Equity attributable to equity holders of Reunert	6 695	6 505
Non-controlling interests	87	38
Balance at the beginning of the year	38	119
Loss for the year	(10)	(40)
From other comprehensive income	4	(22)
Cash dividends paid	(6)	(4)
Subscription for shares by non-controlling shareholders	62	–
Disposal of subsidiary	(4)	–
Additional shares acquired from non-controlling shareholders	3	(15)
<b>Total equity at the end of the year</b>	<b>6 782</b>	<b>6 543</b>

# Notes

for the year ended 30 September 2021

## 1. BASIS OF PREPARATION

These preliminary reviewed condensed consolidated financial statements (condensed financial statements) have been prepared in compliance with the:

- > framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS) in effect for the Group at 1 October 2020;
- > South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides, as issued by the Accounting Practices Committee;
- > Financial Reporting pronouncements as issued by the Financial Reporting Standards Council;
- > Listings Requirements of the JSE Limited; and
- > the requirements of the Companies Act, No. 71 of 2008, of South Africa.

These condensed financial statements are in accordance with and contain the information required by IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and were compiled under the supervision of NA Thomson CA(SA) the Group's Chief Financial Officer.

The Group's accounting policies applied for the year ended 30 September 2021, were consistent with those applied in the prior year's audited consolidated annual financial statements. These accounting policies comply with IFRS.

The condensed financial statements for the year ended 30 September 2021 have been reviewed by Deloitte & Touche who have expressed an unmodified review conclusion.

The auditor's review report on the condensed financial statements is available for inspection at the registered offices of the Company, together with the condensed financial statements.

Rm	2021 Reviewed	2020 Reviewed
<b>2. REVENUE</b>		
<b>Revenue from contracts with customers:</b>		
<b>Category of revenue</b>		
Products	7 632	6 014
Services	1 575	1 581
	<b>9 207</b>	7 595
<b>Timing of revenue recognition:</b>		
Revenue recognised at a point in time	7 911	6 215
Revenue recognised over time	1 296	1 380
<b>Total revenue from contracts with customers</b>	<b>9 207</b>	7 595
<b>Other revenue:</b>		
Interest received on lease and loan receivables	340	412
Rental revenue	28	39
<b>Total</b>	<b>9 575</b>	8 046

Refer to the segmental analysis, for a disaggregation of the total revenue into the revenue contribution per segment.

## Notes (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>
<b>3. OPERATING PROFIT</b>		
<b>Operating profit is arrived at as follows:</b>		
Revenue	<b>9 575</b>	8 046
<b>Items included in operating profit</b>		
Changes in inventory	<b>(5 852)</b>	(4 382)
Employee costs	<b>(1 967)</b>	(1 890)
Salaries and wages	<b>(1 776)</b>	(1 617)
Pension and provident fund contributions <sup>2</sup>	<b>(126)</b>	(192)
Other staff costs <sup>3</sup>	<b>(65)</b>	(81)
Fair value remeasurements	<b>65</b>	(1)
Gain on investment at fair value through profit or loss	<b>103</b>	–
Gain on contingent consideration	<b>13</b>	2
Gain on option contract	<b>41</b>	–
Loss on option contract	<b>(92)</b>	–
Loss on put option liability	<b>–</b>	(3)
Impairment of financial assets	<b>(1)</b>	(586)
Credit write-off	<b>(20)</b>	(298)
Expected credit losses	<b>19</b>	(288)
Auditors remuneration	<b>(28)</b>	(29)
Audit fees	<b>(27)</b>	(28)
Other fees	<b>(1)</b>	(1)
Net forex gains/(losses)	<b>24</b>	(90)
Net realised forex gains/(losses) <sup>4</sup>	<b>40</b>	(42)
Net unrealised forex losses <sup>4</sup>	<b>(16)</b>	(48)

Rm	2021 Reviewed	2020 Reviewed Restated <sup>1</sup>
<b>3. OPERATING PROFIT (CONTINUED)</b>		
Other income	47	17
Lease modification	49	17
Profit on disposal of property, plant and equipment and intangible assets	12	4
Share-based payment expense <sup>5</sup>	(17)	(7)
Interest paid to finance Quince Capital (Pty) Ltd (Quince) rental book	(24)	(28)
Operating lease charges	(27)	(30)
Research and development	(150)	(172)
Other operating expenses	(395)	(322)
<b>EBITDA<sup>6</sup></b>	<b>1 311</b>	<b>547</b>
<b>The following additional disclosable items have been included in arriving at operating profit:</b>		
Depreciation and amortisation	(253)	(240)
Impairment of non-financial assets		
Impairment of goodwill	–	(75)
Impairment of property, plant and equipment	(1)	(4)
Profit on disposal of associate	1	–
Loss on disposal of subsidiary	(1)	(20)
Transaction-related share-based payments <sup>7</sup>	(7)	–
<b>Operating profit as per the statement of profit or loss</b>	<b>1 050</b>	<b>208</b>

<sup>1</sup> The operating profit note has been restated to provide more detail.

<sup>2</sup> Payments to defined contribution retirement plans are charged as an expense as they fall due.

<sup>3</sup> Includes staff training, staff welfare, skills development levy, commissions and incentives and other staff related costs.

<sup>4</sup> Transactions denominated in a foreign currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in the statement of profit or loss in the period in which they arise. Derivative instruments are initially measured at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gains or losses are recognised in the statement of profit or loss.

<sup>5</sup> Included in share-based payment expense is a charge of R1 million (2020: a release of R3 million) relating to the Deferred Bonus Plan. This is classified as a cash-settled, share-based payment with the equivalent amount included in liabilities.

<sup>6</sup> Earnings before net interest, tax, depreciation and amortisation, impairment of goodwill and property, plant and equipment, profit on disposal of associate, loss on disposal of subsidiary and transaction-related share-based payments. EBITDA includes interest income received on leases and loans receivable in the ICT Segment.

<sup>7</sup> Included in the transaction-related share-based payments is an empowerment charge in the ICT Segment of R6 million and in the AE Segment of R1 million.

## Notes (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed
<b>4. INTEREST AND DIVIDEND INCOME</b>		
Dividend income	2	3
Interest earned on financial assets analysed by category of asset:		
Bank deposits	16	31
Other assets	10	7
<b>Total interest income and dividends</b>	<b>28</b>	<b>41</b>
<b>5. INTEREST EXPENSE</b>		
Loans, bank overdrafts and short-term facilities	(47)	(53)
Lease liabilities	(19)	(22)
Unwinding of present value discount	(4)	(8)
<b>Interest expense as per the statement of profit or loss</b>	<b>(70)</b>	<b>(83)</b>
External interest expense in Quince (included in Group operating expenses as Quince is a finance business)	(24)	(28)
<b>Total interest expense using the effective interest rate method</b>	<b>(94)</b>	<b>(111)</b>
<b>6. IMPAIRMENT OF FINANCIAL ASSETS</b>		
Credit write-off	20	298
Expected credit losses (ECL)	(19)	288
	<b>1</b>	<b>586</b>

Analysis of movement in the ECL  
30 September 2021

Rm	ECL as at 1 October 2020	(Released)/ raised during the year through the statement of profit or loss	Utilised during the year	Disposal of subsidiaries	Foreign exchange movement	ECL as at 30 September 2021
Lease and loan receivables	210	(29)	(29)	–	–	152
Trade and other receivables	192	10	(39)	(2)	6	167
Credit write-off for trade and other receivables		20				
<b>Total impairment of financial assets per the statement of profit or loss</b>		<b>1</b>				

## 6. IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

### Analysis of movement in the ECL

30 September 2020

Rm	ECL as at 1 October 2019	Raised during the year through the statement of profit or loss	Utilised during the year	Foreign exchange movement	ECL as at 30 September 2020
Lease and loan receivables	41	219	(50)	–	210
Trade and other receivables	150	69	(14)	(13)	192
Credit write-off for lease and loan receivables <sup>1</sup>		298			
Total impairment of financial assets per the statement of profit or loss		586			

<sup>1</sup> The credit write-off in the 2020 financial year resulted from an external fraud perpetrated against Quince by a non-connected independent third party dealer.

### Lease and loan receivables

The Group applies the IFRS 9 general approach to measuring the ECL required in respect of lease and loan receivables.

This is calculated by applying a historical loss ratio to the lease and loan receivables at each reporting date. The loss ratio for the lease and loan receivables is calculated according to the ageing/payment profile by applying historic write-offs to the payment profile of the population.

The historic loss ratio is then adjusted for forward-looking information to determine the required ECL at the reporting date.

### Impact of COVID-19

Historical levels of credit impairment (pre 2020) are now not considered representative of what is expected in terms of future defaults due to the COVID-19 pandemic. The ongoing impact of the national lockdowns and waves of infection on economic activity and consequentially the expected increase in business failures have made the estimation of future credit losses complex.

Subsequent to the easing of lockdown conditions after the second and third wave of COVID-19 infections during 2021; economic activity has improved and the Group has incorporated this improvement in their assessment of the management overlay incorporated into the ECL.

## Notes (continued)

for the year ended 30 September 2021

### 6. IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

The Group has considered these factors above and also used the following key assumptions in estimating the ECL as at 30 September 2021:

	2021	2020
Probability of default (PD)	5,6%	9,3%
Loss given default (LGD)	63,0%	63,0%
Exposure at default (EAD)	<b>Exposure of receivables at 30 September 2021</b>	Exposure of receivables at 30 September 2020

In estimating the PD the following estimates and judgements were applied:

- > The expected rate of credit defaults which has reduced to 5,6% during 2021 (11,5% at 31 March 2020, 9,3% at 30 September 2020 and 3,5% at 30 September 2019).
- > Due to the uncertainty that COVID-19 brings to the impact on future economic activity, the estimates made require a high degree of judgement.

The LGD rate used was obtained from the quoted recovery rate of the World Bank for South African debt of 37%. This was corroborated against the Moody's recovery rate for emerging markets. Due to the uncertainty of the impact of COVID-19 on South Africa and limited allocated credit information, this remains the best independent and credible information available, to estimate the expected LGD and this results in an LGD of 63%. In computing the management overlay, management assessed the industry classification of each rental customer and where the industry was, in the experience of management, still experiencing adverse consequences of the COVID-19 pandemic impacting on its credit capacity/risk (largely in the categories of hospitality, tourism and sections of education) applied a management overlay taking this risk into account.

The following is a categorisation of the different stages in accordance with IFRS 9:

Rm	Carrying amount before ECL	Expected credit losses			Net carrying amount after ECL
		Stage 1	Stage 2	Stage 3	
<b>30 September 2021</b>	<b>2 628</b>	<b>(41)</b>	<b>(13)</b>	<b>(98)</b>	<b>2 476</b>
<b>Lease receivables</b>	<b>707</b>	<b>(9)</b>	<b>(6)</b>	<b>(9)</b>	<b>683</b>
<b>Loan receivables</b>	<b>1 921</b>	<b>(32)</b>	<b>(7)</b>	<b>(89)</b>	<b>1 793</b>
30 September 2020	2 783	(68)	(92)	(50)	2 573
Lease receivables	918	(41)	(18)	(14)	845
Loan receivables	1 865	(27)	(74)	(36)	1 728

## 6. IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

### Significant increase in credit risk

In assessing whether the credit risk in a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers quantitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In assessing the stage categorisation, receivables that are 30 days overdue are classified as stage 2 and receivables that are 90 days overdue are classified as stage 3.

### Credit write-off in 2020

The credit write-off resulted from an external fraud perpetrated against Quince by a non-connected independent third party dealer. A comprehensive external forensic investigation has been completed and has resulted in a credit write-off of R298 million, which was reported in the 31 March 2020 interim financial results. In the period 31 March 2020 to 30 September 2020 the following actions were completed:

- > An independent forensic investigation was conducted at Quince. This investigation, conducted by one of the country's leading legal firms, determined that no Quince employee had a material non-disclosed conflict of interest or that any criminal or deliberate misconduct facilitated the external fraud; and
- > The Group commissioned an independent review of the enterprise risk management framework at Quince to ensure the risk governance and control framework are appropriate. The outcome from this investigation identified areas where functions and processes within Quince's Credit Management can be strengthened to improve monitoring and oversight.

These recommendations were fully implemented in the 2021 financial year.

### Trade and other receivables

The Group has consistently applied the IFRS 9 simplified approach to measuring ECL for trade receivables which uses a lifetime expected loss model. ECLs are calculated by using a provision matrix and applying a loss ratio to each entity in the Group's age analysis of trade receivables and contract assets. These have been aggregated into groupings that represent, to a large degree, major risk types and how the Group manages its receivables and contract assets. This also illustrates the spread of credit risk at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic write-offs to the payment profile of the sales population. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations.

Rm	2021 Reviewed	2020 Reviewed
<b>7. IMPAIRMENT OF NON-FINANCIAL ASSETS</b>		
<b>Goodwill</b>		
Carrying amount as at 1 October	924	999
Disposal of subsidiary	(4)	–
Acquisition of businesses	14	–
Impairment of goodwill	–	(75)
<b>Carrying amount as at 30 September</b>	<b>934</b>	<b>924</b>

## Notes (continued)

for the year ended 30 September 2021

### 7. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

The following information summarises the individual assumptions used to test for impairment of goodwill at a cash generating unit (CGU) level, using the value-in-use method.<sup>1</sup>

	Measurement currency	30 September 2021	30 September 2020
		Discount rate (pre-tax) <sup>2</sup> %	Discount rate (pre-tax) <sup>2</sup> %
<b>Significant CGUs</b>			
<b>ICT</b>			
Nashua Office Automation	ZAR	16,9	20,3
Quince Capital	ZAR	14,3	11,4
ECN	ZAR	17,4	20,6
SkyWire	ZAR	16,1	18,9
+OneX	ZAR	20,6	–
<b>AE</b>			
Omnigo	ZAR	20,7	22,1
Terra Firma Solutions	ZAR	20,2	21,0
Nanoteq	ZAR	19,9	22,7
Blue Nova Energy	ZAR	21,1	22,6
Other <sup>4</sup>	ZAR	17,9 – 20,4	20,6 – 22,5
Net carrying amount			
Gross goodwill carrying amount			
Less: accumulated impairment loss			

<sup>1</sup> The base (year 1) for the value-in-use calculations are the management approved budgets for 2022. The 2022 budget contains revenue growth rates that indicate a gradual improvement towards pre-COVID-19 levels. Average growth rates used in years 2023 to 2026 (except for SkyWire Technologies, Blue Nova and +OneX) were higher than terminal growth rates due to the expected gradual improvement towards pre-COVID-19 levels of activity but are all lower than 10% growth. Growth rates for SkyWire Technologies (12%), Blue Nova (17%) and +OneX (18%) are higher than the average as these businesses operate in industries experiencing high growth and demand. Management have assessed the growth rates applied and consider them to be reasonable and appropriate based on management's knowledge of the industries and the underlying businesses.

<sup>2</sup> The discount rate used is calculated as the weighted average cost of the different components of capital, being debt and equity (WACC). This is consistent with international best practice and covers the different industries in which the Reunert group operates. The discount rate is then converted to the pre-tax discount rate as required by IAS 36 using an appropriate methodology.

30 September 2021	30 September 2020	Group goodwill	
Terminal growth rate <sup>3</sup> %	Terminal growth rate <sup>3</sup> %	30 September 2021 Rm	30 September 2020 Rm
4,0	4,0	199	203
4,0	4,0	124	124
4,0	4,0	140	140
4,0	4,0	170	170
4,0	–	14	–
4,0	4,0	40	40
4,0	4,0	88	88
4,0	4,0	69	69
4,0	4,0	53	53
		897	887
4,0	4,0	37	37
		934	924
		1 076	1 066
		(142)	(142)

<sup>3</sup> The terminal growth rate is calculated using the forecast South African consumer price index (CPI) as a basis and thereafter adjusted for various risk factors. This is used to extrapolate the cash flow projections beyond the period covered of 5 years.

<sup>4</sup> This consists of the aggregate of individual immaterial goodwill balances across all segments above.

## Notes (continued)

for the year ended 30 September 2021

### 7. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

#### Sensitivities

Under the economic conditions that have arisen during the COVID-19 pandemic, revenue growth is a key consideration. Accordingly, management has undertaken a sensitivity analysis of the consequence of a 5% reduction in forecast revenue on the cash flow forecasts without factoring in any management actions required from the drop in revenue.

The results of this sensitivity analysis were that additional impairments would be required for Nanoteq (R14 million), African Cables (R21 million) and Skywire (R69 million), if revenue forecasts are not met by 5% i.e. 95% achievement.

If the terminal growth rates were decreased by 1%, no impairment would be required.

If the discount rates were increased by 1%, an impairment of R1 million would be required in Nanoteq.

#### Impairment of property, plant and equipment

In the current financial year an impairment of R1 million was raised on damaged property, plant and equipment.

#### 2020

In 2020, the impact of COVID-19 resulted in the Group impairing goodwill which arose on acquisition of two of its subsidiaries: African Cables (R61 million) and Dynateq International (Dynateq) (R14 million) and R4 million of property, plant and equipment in Polybox.

#### African Cables

African Cables delivered a subdued performance in the 2020 financial year, primarily due to the following:

- > The low level of demand for power cable.
- > Weak level of investment by Government into infrastructure.
- > A seven-week labour disruption at African Cables during October and November 2019 which negatively impacted revenue and profitability.
- > Loss of sales due to COVID-19 and the resulting hard lockdown.

Although the business has secured framework tenders at Eskom and various municipalities, the impact of the reprioritisation of Government's expenditure on infrastructure due to the impact of COVID-19 remains uncertain. Management's view was that this business was likely to continue to experience pressure on volumes over the medium term and have therefore used forecasts taking this uncertainty into consideration. This resulted in the goodwill impairment of R61 million being required.

#### Dynateq

Dynateq's revenue is largely driven by securing contracts in the global defence sector. The business is dependent on the export market in various economies including the Middle East and Europe. Although a portion of the short-term order book is secured, management is of the view that this business is likely to experience pressure on volumes over the medium term and consequently impaired the goodwill of R14 million.

#### Investment in joint venture

In the 2020 financial year, the outlook for CBI Electric Telecom Cables (Pty) Ltd (CBI Telecoms) remained uncertain, due to it having a limited order book, significant margin degradation due to competition and declining volumes which all contributed to weak cash flow forecasts over the short to medium term. These factors together with the substantial losses experienced over 3 consecutive financial years resulted in the management of CBI Telecoms impairing the carrying amount of its property, plant and equipment by R147m. The impact of the impairment of R42 million (after tax) is included in the equity-accounted earnings from joint ventures for the 2020 financial year.

## 8. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

In terms of IAS 28 Investments in Associates, Reunert is presumed to have significant influence over CAFCA as it owns more than 20% of CAFCA's share capital. However, as it has less than 20% representation on its board of directors and does not have the current ability to appoint additional directors, the Group does not equity account for its investment in CAFCA as it does not have significant influence over CAFCA due to its inability to influence the financial and operating policy decisions as a result of the broader operating regime in which CAFCA operates. Therefore, the Group's interest is measured at fair value through profit or loss. Although CAFCA is listed on the Zimbabwean Stock Exchange, there is limited trading in the share.

During the current year the Group received and accepted two unsolicited offers for a portion of its investment in CAFCA for R27 million. These transactions have resulted in the Group remeasuring the fair value of its investment in CAFCA. The fair value has been determined using an appropriate price/net asset value multiple of comparable companies to the historical net asset value of the share. The selling price per share of the sale transactions negotiated during 2021 was also considered as a key factor in assessing the reasonability of the fair value for 2021.

This is a level 3 instrument in the fair value hierarchy.

Accordingly, the Group recognised a gain as follows:

Rm	2021 Reviewed
Fair value remeasurement of investment in CAFCA	103
Realised gain on remeasurement of investment	27
Unrealised gain on remeasurement of investment	76

## Notes (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed
<b>9. NON-CURRENT DERIVATIVE FINANCIAL ASSETS AND LIABILITIES</b>	
Put option derivative financial asset	41
Call option derivative financial liability	92
<b>Fair value remeasurement loss on option contract</b>	<b>51</b>

The Group has concluded an agreement with AP Moller Capital through AIF I Africa C&I Renewable Energy LLP (AIF I) to establish a joint venture, Lumika Renewables (Pty) Ltd (Lumika). The Group subscribed for a 50,1% interest in Lumika. Although the Group holds a 50.1% interest, due to the contractual arrangement with AP Moller Capital, the Group exercises joint control over the venture. The Group sold an effective 25% interest in Terra Firma Solutions (Pty) Ltd (TFS) (the Group's Solar PV business) to Lumika and concluded a put and a call option for the sale of 65% being its residual interest in TFS. The call and put is exercisable after the third anniversary of the establishment of Lumika which date is 30 September 2023.

In terms of these arrangements, the Group has the right to put its remaining interest in TFS to Lumika in exchange for the strike price in US dollars and Lumika has the right to call the remaining interest in TFS from the Group at the same price. The put and call have been recognised as a non-current derivative asset and liability respectively at their fair values through profit or loss.

### Valuation technique

The equity value of TFS was determined at the reporting date. The equity value, strike price in US dollars and other inputs (see below) were applied to a Black Scholes valuation model to determine the value of the put and call.

The following significant unobservable inputs were used in the determination of the value of the put and call and the resulting net fair value loss:

- > Strike price in US dollars calculated at 30 September 2021 using a forward exchange rate of 16.58 – USD13,3 million.
- > Average growth rate 16,0%
- > Post tax discount rate 15,5%

This is a level 3 instrument in the fair value hierarchy.

Rm	2021 Reviewed	2020 Reviewed
<b>10. NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE<sup>1</sup></b>		
Weighted average number of shares in issue, net of empowerment and treasury shares, for basic earnings and headline earnings per share (millions of shares)	<b>161<sup>2</sup></b>	161 <sup>2</sup>
Adjusted by the dilutive effect of unexercised share options granted (millions of shares)	–	1
Weighted average number of shares for diluted basic and diluted headline earnings per share (millions of shares)	<b>161</b>	162
<sup>1</sup> The earnings used to determine earnings per share and diluted earnings per share is the profit for the period attributable to equity holders of Reunert of R777 million (2020: R47 million).		
<sup>2</sup> The Group has elected to treat the shares under the equity forward contract as issued shares for purposes of earnings per share.		
<b>11. HEADLINE EARNINGS</b>		
Profit attributable to equity holders of Reunert	<b>777</b>	47
Headline earnings are determined by eliminating the effect of the following items from attributable earnings:		
Goodwill impairment	–	75
Impairment of non-financial assets in a joint venture (after a tax credit of Rnil (2020: R14 million))	<b>1</b>	42
Net loss on disposal of subsidiary and associate (after a tax charge of R1 million (2020: Rnil))	<b>1</b>	20
Impairment of property, plant and equipment	– <sup>1</sup>	4
Profit on disposal of property, plant and equipment and intangible assets (after a tax charge of R3 million and NCI portion of Rnil) (2020: after a tax charge of R1 million and NCI portion of R1 million) <sup>2</sup>	<b>(11)</b>	(2)
<b>Headline earnings</b>	<b>768</b>	186
Headline earnings per share (cents)	<b>478</b>	115
Diluted headline earnings per share (cents)	<b>476</b>	115

<sup>1</sup> The impairment of property, plant and equipment after tax results in the amount being less than R0,5 million and therefore has been rounded to Rnil for the headline earnings calculation.

<sup>2</sup> Includes R2 million profit on disposal of property, plant and equipment arising from an investment in joint venture.

## Notes (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed	2020 Reviewed
<b>12. CONTINGENT CONSIDERATION</b>		
Carrying amount as at 1 October	24	41
Raised on acquisitions at fair value	18	–
Raised on acquisition of NCI during the year <sup>1</sup>	6	–
Fair value remeasurements	(13) <sup>2</sup>	(2)
Settlement	(7)	(15)
<b>Carrying amount as at 30 September</b>	<b>28</b>	<b>24</b>
Less: current portion	18	24
Non-current portion	10	–

<sup>1</sup> This relates to a contingent consideration that arose during the year on the acquisition of the non-controlling interest in Kopano Solutions Company (Pty) Ltd.

<sup>2</sup> Includes a remeasurement gain of R11 million for Blue Nova arising from the related targets not being met.

These were classified as level 3 instruments in the fair value hierarchy.

## 13. PUT OPTION LIABILITY

As part of the TFS acquisition in 2017, the Group granted put options in favour of the non-controlling shareholders for 25% of the issued share capital. The majority of this put option was exercised in the 2020 financial year. The amount remaining is carried at fair value and amounts to R365 303 (2020: R307 428).

The measurement period for the TFS empowerment transaction concluded on 30 September 2021. The non-controlling shareholders have the right to claw back some or all of the shares issued to the TFS empowerment partner in the event of the empowerment partner not achieving certain pre-agreed targets by 30 September 2021. The claw back mechanism is based on an agreed formula with the empowerment partner. The non-controlling shareholders have a further right to put the shares clawed back from the empowerment partner to the Group. As a result, an additional put option liability arose on completion of the measurement period, in the current year, which is measured using the same methodology as the original put option for 25% granted to the non-controlling shareholders when the Group acquired its controlling interest in TFS.

### 13. PUT OPTION LIABILITY (CONTINUED)

A reconciliation of the closing balance is as below:

Rm	2021 Reviewed	2020 Reviewed
Carrying amount as at 1 October	–	120
Raised during the year	25	–
Fair value remeasurements	–	3
Unwinding of present value discount	–	8
Settlement	–	(131)
<b>Carrying amount as at 30 September</b>	<b>25</b>	<b>–</b>

The obligation is classified as a level 3 instrument in the fair value hierarchy.

#### Valuation technique

The fair value of the put option liability is determined using an agreed formula in the shareholders agreement. This formula applies a multiple to revenue and an adjusted profit after tax and incorporates the investment in build-own-operate plants.

Significant unobservable inputs include:

- > The 2021 revenue and profit after tax (PAT) of TFS; and
- > The value of build-own-operate projects at 30 September 2021

### 14. RECONCILIATION OF RESTATED OPERATING PROFIT

The operating profit on the consolidated statement of profit and loss has been restated in order to include all non-finance and tax related items of income and expenditure in the determination of operating profit in line with the emerging issues identified by the JSE in their proactive monitoring report of 9 November 2021. The 2020 financial year restatements have been subject to a review in 2021 by the external auditors. Accordingly the restated 2020 comparatives are now classified as reviewed and not audited.

Rm	
Operating profit as reported in September 2020	307
Less:	
Impairment of non-financial assets	
Impairment of goodwill	(75)
Impairment of property, plant and equipment	(4)
Loss on disposal of subsidiary	(20)
Operating profit as now reported	208

## Notes (continued)

for the year ended 30 September 2021

### 15. ACQUISITION OF BUSINESSES

#### 2021

All business combinations are accounted for by applying the acquisition method. All acquisition-related costs are recognised as expenses in the period in which the costs are incurred and the services received.

If the initial accounting for the business combinations is incomplete at the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are then adjusted during the remaining measurement period, or additional assets and liabilities are recognised, to reflect any new information obtained about facts and circumstances that existed at the acquisition date, which if known at the time of making the initial recognition entries, would have impacted the amounts recognised at that time.

Non-controlling interests (NCI) in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. NCI consists of the value of those interests at the date of the original business combination and the NCI's share of changes in equity since the date of the combination. Losses applicable to the NCI in excess of the NCI's share of changes in equity are allocated against the interests of the Group except to the extent that the NCI has a binding obligation and is able to make an additional investment to cover their share of losses beyond their contributed equity.

#### 1. TripleH Cloud Services (Pty) Ltd (TripleH)

With effect from 1 June 2021, the Group, through +OneX, acquired 100% of the business and related net assets of TripleH. TripleH is a company focused on virtual cloud based solutions. The existing work force is appropriately skilled and resourced to service the existing client base and new clients that will come from synergistic benefits within the ICT segment.

The acquisition of TripleH complements the ICT Segment's expansion strategy and increases the geographical presence of +OneX. The acquisition also provides +OneX with additional service offerings such as multi-cloud management, infrastructure as a service, disaster recovery as a service and backup as a service. As +OneX is a cloud systems integrator, the TripleH Cloud Services business will be core to its cloud service offering.

## 15. ACQUISITION OF BUSINESSES (CONTINUED)

### 2. Datacore Media (Pty) Ltd (DCM)

With effect from 1 May 2021, the Group, through +OneX, acquired 100% of the business and related net assets of DCM. DCM is a company focused on the digital media planning industry space. The existing work force is appropriately skilled and resourced to service the existing client base and new clients that will come from synergistic benefits within the ICT Segment.

The acquisition of DCM complements the ICT Segment's expansion strategy and increases the geographical presence of +OneX. The acquisition also provides +OneX with additional service offerings such as digital media and data consultancy business and will strengthen +OneX's position as an end-to-end business transformation partner.

Rm	2021 Reviewed
<b>Cash paid</b>	<b>8</b>
<b>Contingent consideration</b>	<b>18</b>
<b>Working capital offset against the purchase price</b>	<b>(3)</b>
<b>Total purchase consideration</b>	<b>23</b>
<b>Represented by:</b>	
Property, plant and equipment	4
Goodwill	14
Intangible assets	11
Deferred tax liabilities	(3)
Trade and other payables	(3)
<b>Net assets acquired (fair value at acquisition date)</b>	<b>23</b>
Revenue since acquisition	12
Profit after tax since acquisition	2
Revenue for 2021 as though the acquisition date had been 1 October 2020	32
Profit after tax for 2021 as though the acquisition date had been 1 October 2020	6

## Notes (continued)

for the year ended 30 September 2021

### 16. DISPOSAL OF SUBSIDIARY AND ASSOCIATE

#### 2021

##### Sale of Nashua Paarl and West Coast (Pty) Ltd (PWC)

With effect from 1 August 2021 Nashua Holdings (Pty) Ltd sold the interest it held in the franchise known as PWC for R3 million.

Rm	2021 Reviewed
<b>Net assets disposed in PWC:</b>	
Goodwill	4
Deferred tax assets	1
Lease receivables	72
Inventory	2
Trade and other receivables	11
Non-controlling interests	(4)
Long-term loans	(1)
Trade and other payables	(9)
Amounts owing to subsidiaries	(74)
<b>Net carrying amount disposed of</b>	<b>2</b>
<b>Consideration received</b>	<b>1</b>
Cash received on sale	3
Less: cash on hand	2
<b>Loss on disposal of subsidiary (net of tax of Rnil)</b>	<b>(1)</b>
<b>Sale of Oxirostax (Pty) Ltd (Winelands)<sup>1</sup></b>	
With effect from 1 August 2021 Nashua Holdings (Pty) Ltd sold its interest in the Winelands franchise it owned for R9 million consideration.	
Investment in associate	8
Consideration received:	
In cash	9
<b>Profit on disposal of associate (net of tax of Rnil)</b>	<b>1</b>

<sup>1</sup> The investment in Winelands was previously recognised as an investment in associate and equity accounted for in the Group's financial statements.

## 16. DISPOSAL OF SUBSIDIARY AND ASSOCIATE (CONTINUED)

Rm

2020  
Reviewed

In the 2020 financial year Reunert ICT Holdings sold the Pansolutions shares it owned for R1.

### Net assets disposed in Pansolutions:

Lease and loan receivables	3
Inventory	20
Current and deferred tax	4
Trade and other receivables	12
Trade and other payables	(20)
Long-term loans	(2)
Short-term portion of long-term loans	(1)
<b>Net carrying amount disposed of</b>	<b>16</b>
<b>Consideration paid</b>	<b>(4)</b>
Cash received on sale	–
Less: cash on hand	4
<b>Loss on disposal of subsidiary (net of taxation of Rnil)</b>	<b>20</b>

## Notes (continued)

for the year ended 30 September 2021

### 17. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS (NCIs)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the NCIs are adjusted to reflect the changes in their relative interests in the subsidiary concerned. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to all the owners of the Company.

Rm	2021 Reviewed
<b>Transactions to increase controlling interest in subsidiaries' holdings</b>	
<b>Kopano Solutions Company (Pty) Ltd (Nashua Kopano)</b>	
With effect from 1 April 2021, the Group acquired all of the non-controlling interest in Nashua Kopano, a Group-owned Nashua franchise in the ICT Segment.	
Consideration paid	21
<b>Main Street 1052 (Pty) Ltd (Nashua Central)</b>	
With effect from 1 August 2021, the Group acquired all of the non-controlling interest in Nashua Central, a Group-owned Nashua franchise in the ICT Segment.	
Consideration paid	10
<b>Transactions to decrease controlling interest in subsidiaries' holdings</b>	
<b>Classic Number Trading 80 (Pty) Ltd (Nashua Tshwane)</b>	
With effect from 1 June 2021, the Group sold 30% of its interest in Nashua Tshwane, a Group-owned Nashua franchise in the ICT Segment.	
Consideration received	(3)
<b>Reunert Investment Company No 2 (Pty) Ltd (RIC #2)</b>	
With effect from 1 July 2021 Reunert Limited through its subsidiary, Reunert Applied Electronics Holdings (Pty) Ltd (RAEH) has, concluded a shareholders agreement with AIF 1 to establish a joint venture, Lumika Renewables (Pty) Ltd (Lumika). As part of the establishment of Lumika, RAEH has agreed to sell an effective 27,8% interest to Lumika.	
Through this 27,8% interest, Lumika will hold an effective 25% in TFS, which remains a subsidiary consolidated by Reunert.	
Reunert has elected to eliminate the equity-accounted earnings associated with TFS in the consolidated financial statements.	
Consideration received	(38)
<b>+OneX</b>	
+OneX was introduced into the Group on the 1st of August 2020 whereby Reunert Connect (Pty) Ltd was renamed to +OneX, Reunert ICT held 100% of the shares. With effect from 1 December 2020 the +OneX group was formed and Nashua Communications (Pty) Ltd which was 100% owned by Reunert ICT was then moved to be a part of this cluster and renamed to +OneX Communications (Pty) Ltd. On 1 December 2020, non-controlling interests were introduced by way of an issue of shares by +OneX Solutions to the founders.	

## 17. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS (NCIs) (CONTINUED)

Rm	2021 Reviewed
On 30 September 2021, a further dilution of shareholding occurred resulting in a reduction in Reunert ICT shareholding in +OneX group. This reduction was due to new shares being issued to a strategic BEE group, which will now hold 20% of the +OneX group. Due to this dilution the shareholding for +OneX Group will change resulting in Reunert ICT, The Founders and the Black Founders now holding 56,9%, 14,4% and 8,7% respectively. Consideration received	(27)
<b>Net consideration received</b>	<b>(37)</b>
Non-controlling interests	(65)
Transactions with non-controlling interests	47
Investment in joint venture	(19)
<b>Rm</b>	<b>2020 Reviewed</b>
<b>Transactions to increase percentage holding</b>	
During the 2020 financial year the Group increased its holding in TFS from 62,49% to 89,94% at a cash cost of R132 million. The increase was due to direct purchase of shares and by the exercise of put options held by the non-controlling shareholders of TFS.	
<b>Net consideration paid</b>	132
Non-controlling interests	15
Transactions with non-controlling interests	(14)
Put option liability	131
Equity transactions/put option with non-controlling interests	(94)
Retained earnings	94

## Notes (continued)

for the year ended 30 September 2021

### 18. LITIGATION

There is no material litigation being undertaken against or by the Group, other than the ongoing process to seek to recover the losses incurred through the Quince fraud.

### 19. EVENTS AFTER REPORTING DATE

Subsequent to the reporting date the Group has:

- > Disposed of a further 15,57% of the Group's investment in CAFCA, the Group's investment in a Zimbabwean power cable manufacturer for a consideration of R29 million.
- > Commenced the process to restructure and extend its original B-BBEE structure ("Proposed B-BBEE Transaction"). The original B-BBEE structure, which was implemented in 2007 and extended for another 4 years in 2018, is centred around Bargenel Investments (Pty) Ltd ("Bargenel"), which holds 18,5 million ordinary Reunert Limited shares (or approximately 10% of the issued ordinary shares of Reunert). Rebatona Investment Holdings (Pty) Ltd ("Rebatona") is the sole shareholder of Bargenel. Rebatona, in turn is owned by the Rebatona Educational Trust (70%) and the founders of Peotona Investment Holdings (Pty) Ltd, being Adv Thandi Orleyn, Cheryl Carolus, Wendy Lucas-Bull and the late Dolly Mokgatle through their family trusts (the "Peotona Parties") (30%), respectively. The Group expects to provide shareholders with a detailed terms announcement and circular providing full details of the Proposed B-BBEE Transaction for their consideration in due course. Notwithstanding the long-term beneficial relationship between the Group and the Peotona Parties since the implementation of the original BEE transaction in 2007, the Peotona Parties have confirmed that they do not wish to participate in the Proposed B-BBEE Transaction. Therefore, as a separate transaction, with effect from 30 November 2021, Rebatona will repurchase all of the Rebatona Shares held by the Peotona Parties for a total consideration of R9.6 million.
- > Entered into a sale of business agreement with Code Maven (Pty) Ltd (Code Maven) whereby +OneX acquired 100% of the business and related assets of Code Maven with effect from 1 October 2021. The acquisition adds significant application development capability to +OneX, with over 100 highly skilled developers. Code Maven will form the core of +OneX's software talent and bespoke development business which enables +OneX to offer custom software development, product design, quality assurance and consultancy services.

## 20. GOING CONCERN

The directors have reviewed the Group's financial position, existing credit facilities and available cash resources and are satisfied that the Group will continue as a going concern.

## 21. EXTERNAL AUDITOR'S REVIEW OPINION

Deloitte & Touche has issued an unmodified review report on the reviewed condensed consolidated financial statements for the year ended 30 September 2021. The review was concluded in accordance with ISRE 2410 – Review of Interim Financial Information performed by the independent auditor of the entity. A copy of their unmodified review report is available for inspection at Reunert's registered office. The auditor's review report does not necessarily report on all information contained in this announcement. Investors are, therefore, advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report from Reunert's registered office. Any reference to future performance included in this announcement has not been reviewed or reported on by the auditors.

## Condensed segmental analysis

for the year ended 30 September 2021

Rm	2021 Reviewed				
	Total	EE	ICT	AE	Other
<b>Revenue<sup>2</sup></b>					
<b>Segment revenue</b>	9 905	5 551	2 490	1 854	10
Adjusted for revenue from equity-accounted joint ventures and associates	(330)	(294)	(25)	(5)	(6)
Revenue	9 575	5 257	2 465	1 849	4
<b>Revenue as reported in the statement of profit or loss</b>	9 575				
Segment revenue – % of total	100	56	25	19	–
Segment revenue – % change over prior year		47	(1)	(5)	(41)
<b>Analysis of revenue</b>					
<b>Category of revenue</b>					
Products	7 632	5 138	1 340	1 154	–
Services	1 575	119	785	671	–
Total revenue	9 207	5 257	2 125	1 825	–
<b>Timing of revenue recognition:</b>					
Revenue recognised at a point in time	7 911	5 189	1 574	1 148	–
Revenue recognised over time	1 296	68	551	677	–
Total revenue	9 207	5 257	2 125	1 825	–
<b>Other revenue</b>					
Interest recognised on lease and loan receivables	340	–	340	–	–
Rental revenue	28	–	–	24	4
Total revenue	9 575	5 257	2 465	1 849	4
<b>Revenue by geography</b>					
South Africa	6 942	3 447	2 365	1 126	4
Rest of Africa (excluding South Africa)	1 468	1 310	100	58	–
Asia	477	58	–	419	–
Australia	218	189	–	29	–
Europe	276	95	–	181	–
The Americas	194	158	–	36	–
Total revenue	9 575	5 257	2 465	1 849	4

<sup>1</sup> Revenue has been disaggregated to align revenue disclosures to the annual financial statements.

<sup>2</sup> Inter-segment revenue has been eliminated, however it is immaterial and has not been separately disclosed.

Total	2020				% change in total
	EE	Reviewed Restated <sup>1</sup> ICT	AE	Other	
8 259	3 767	2 524	1 951	17	20
(213)	(179)	(28)	–	(6)	
8 046	3 588	2 496	1 951	11	
8 046					19
100	46	30	24	–	
6 014	3 406	1 286	1 322	–	
1 581	182	798	601	–	
7 595	3 588	2 084	1 923	–	
6 215	3 468	1 508	1 239	–	
1 380	120	576	684	–	
7 595	3 588	2 084	1 923	–	
412	–	412	–	–	
39	–	–	28	11	
8 046	3 588	2 496	1 951	11	
5 703	2 279	2 390	1 023	11	
1 178	911	106	161	–	
567	40	–	527	–	
190	164	–	26	–	
221	76	–	145	–	
187	118	–	69	–	
8 046	3 588	2 496	1 951	11	

## Condensed segmental analysis (continued)

for the year ended 30 September 2021

Rm	Note	2021 Reviewed				
		Total	EE	ICT	AE	Other
<b>Operating profit</b>						
<b>Segment operating profit/(loss)<sup>1</sup></b>		<b>986</b>	<b>373</b>	<b>608</b>	<b>100</b>	<b>(95)</b>
Adjusted for operating (profit)/loss from equity-accounted joint ventures and associates		(4)	5	(2)	(1)	(6)
Profit on disposal of property, plant and equipment and intangible assets	3	12	3	–	3	6
Impairment of non-financial assets						
Impairment of goodwill	3	–	–	–	–	–
Impairment of property, plant and equipment	3	(1)	–	–	(1)	–
Fair value remeasurements						
Gain on option contract	3	41	–	–	41	–
Loss on option contract	3	(92)	–	–	(92)	–
Gain on investment at fair value through profit or loss	3	103	103	–	–	–
Gain on contingent consideration	3	13	–	–	13	–
Loss on put option liability	3	–	–	–	–	–
Profit on disposal of associate	3	1	–	1	–	–
Loss on disposal of subsidiary	3	(1)	–	(1)	–	–
Transaction-related share-based payments	3	(7)	–	(6)	(1)	–
Operating profit/(loss) before impairment of financial assets		<b>1 051</b>	<b>484</b>	<b>600</b>	<b>62</b>	<b>(95)</b>
Impairment of financial assets						
Credit write-off	3	(20)	(8)	(9)	(3)	–
Expected credit losses	3	19	(23)	29	13	–
Operating profit/(loss)		<b>1 050</b>	<b>453</b>	<b>620</b>	<b>72</b>	<b>(95)</b>
<b>Operating profit as reported in the statement of profit or loss</b>		<b>1 050</b>				
Segment operating profit/(loss) – % of total		<b>100</b>	<b>38</b>	<b>62</b>	<b>10</b>	<b>(10)</b>
Segment operating profit/(loss) – % change over prior year			<b>1 232</b>	<b>1</b>	<b>(63)</b>	<b>(188)</b>

<sup>1</sup> The net interest charged on Group funding provided to the Group's in-house finance operation has been eliminated in line with IFRS 10 – Consolidated Financial Statements. The interest eliminated amounted to Rnil million (2020: R134 million). Should this operation be externally funded, this would result in a reduction of ICT's operating profit by the quantum of the external interest paid.

Total	2020 Reviewed Restated		AE	Other	% change in total
	EE	ICT			
868	28	604	269	(33)	14
22	30	(3)	–	(5)	
4	3	–	1	–	
(75)	(61)	–	(14)	–	
(4)	(4)	–	–	–	
–	–	–	–	–	
–	–	–	–	–	
–	–	–	–	–	
2	–	–	2	–	
(3)	–	–	(3)	–	
–	–	–	–	–	
(20)	–	(20)	–	–	
–	–	–	–	–	
794	(4)	581	255	(38)	
(298)	–	(298)	–	–	
(288)	(26)	(243)	(19)	–	
208	(30)	40	236	(38)	
208					405
100	3	70	31	(4)	

## Condensed segmental analysis (continued)

for the year ended 30 September 2021

### Impact of restatement

Operating profit for total operations has been restated as segment operating profit, which excludes the profit on disposal of property, plant and equipment and intangible assets, the fair value remeasurement gain on contingent consideration and the fair value remeasurement loss on the put option liability. Additional disclosure for 2020 is provided to reconcile segment operating profit to the restated operating profit per the statement of profit or loss. Refer to note 14.

2020 Rm	Operating profit for total operations as previously reported	Profit on disposal of property, plant and equipment and intangible assets excluded from segment operating profit	Fair value remeasurement gain on contingent consideration excluded from segment operating profit	Fair value remeasurement loss on put option liability excluded from segment operating profit	Segment operating profit as now reported
EE	31	(3)	–	–	28
ICT	604	–	–	–	604
AE	269	(1)	(2)	3	269
Other	(33)	–	–	–	(33)
	871	(4)	(2)	3	868

## Condensed segmental analysis (continued)

for the year ended 30 September 2021

Rm	2021 Reviewed	% of total	2020 Reviewed	% of total
<b>Total assets</b>				
EE	2 708	26	2 420	25
ICT	4 334	42	4 328	44
AE	2 755	27	2 500	26
Other	540	5	478	5
<b>Total assets as reported in the statement of financial position<sup>1</sup></b>	<b>10 337</b>	<b>100</b>	9 726	100
<b>Total liabilities</b>				
EE	1 246	35	1 007	32
ICT	834	23	1 037	32
AE	839	24	793	25
Other	636	18	346	11
<b>Total liabilities as reported in the statement of financial position<sup>1</sup></b>	<b>3 555</b>	<b>100</b>	3 183	100

<sup>1</sup> Intercompany receivables, payables and loans have been eliminated in line with the consolidation principles of IFRS.

## Additional Information

Rm (unless otherwise stated)	2021	2020
	Reviewed	Reviewed Restated
Net number of ordinary shares in issue (million)	159	161
Number of ordinary shares in issue (million)	185	185
Less: Empowerment shares (million)	(19)	(19)
Less: Treasury shares (million)	(7)	(5)
Capital expenditure	238	170
– expansion	196	138
– replacement	42	32
Capital commitments in respect of property, plant and equipment	44	122
– contracted	33	27
– authorised not yet contracted	11	95
Total cash dividend per share for the year (cents)	277	257
Current ratio (:1)	1,8	1,9
Quick ratio (:1) <sup>1</sup>	1,3	1,3
Dividend yield (%) <sup>2</sup>	5,8	9,0
Return on capital employed (%) <sup>3</sup>	14,5	3,0

<sup>1</sup> Calculated as current assets excluding inventory divided by current liabilities

<sup>2</sup> Calculated as the total dividend (interim 70 cents per share and final 207 cents per share) (2020: 65 cents and 192 cents per share) divided by a Reunert share price of 4 751 cents (2020: 2 863 cents), being the closing market price on 30 September 2021.

<sup>3</sup> The operating profit used in calculating the return on capital employed has been restated, refer to the consolidated statement of profit or loss for further information.

### Impact of restatement

The restatement of the return on capital employed results from the restatement of the operating profit on the consolidated statement of profit and loss (see note 3) used in calculating the return on capital employed.

September 2020 Rm	Return on capital employment as previously reported	Return on capital employment as now reported
Return on capital employed (%)	4,5	3,0

Definitions of ratios and other financial terms are consistent with those defined in the 2020 Integrated Report.

# Administration

## REUNERT LIMITED

Incorporated in the Republic of South Africa  
 Reg. No 1913/004355/06  
 Ordinary share Code: RLO ISIN code: ZAE000057428  
 ("Reunert", "the Group" or "the Company")

Directors : T S Munday (Chair)\*, T Abdool-Samad\*, A B Darko\*, A E Dickson (Chief Executive Officer),  
 L P Fourie (Chair of the Audit Committee)\*, J P Hulley\*, S D Jagoe\*, S Martin\*, Dr MT Matshoba-Ramuedzisi\*,  
 MJ Husain\* (appointed: 1 November 2020), M Moodley, Adv N D B Orley\*\*\*, N A Thomson (Chief Financial Officer)

\* *Independent non-executive*

\*\* *Non-executive*

Nashua Building  
 Woodmead North Office Park  
 54 Maxwell Drive  
 Woodmead, Sandton, 2191  
 PO Box 784391  
 Sandton, 2146  
 Telephone +27 11 517 9000

### Income tax reference number

9100/101/71/7P

### Transfer secretaries

Computershare Investor Services (Pty) Ltd  
 Rosebank Towers  
 15 Biermann Avenue  
 Rosebank, 2196  
 P O Box 61051  
 Marshalltown, 2107

### Sponsor

One Capital Sponsor Services (Pty) Ltd

### Registered Auditors

Deloitte & Touche

### Secretaries' certification

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, I, Karen Louw, duly authorised on behalf of the Group Company Secretary, Reunert Management Services (Pty) Ltd (Registration number 1980/007949/07) certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission for the financial year ended 30 September 2021 all such returns and notices as are required in terms of the aforesaid Companies Act and that all such returns and notices are true and correct.

Karen Louw  
 for Reunert Management Services (Pty) Ltd  
*Group Company Secretary*

### Investor enquiries

Karen Smith e-mail [invest@reunert.co.za](mailto:invest@reunert.co.za).  
 For additional information log on to the Reunert website at [www.reunert.com](http://www.reunert.com).  
 23 November 2021 (publication date)