

| Capital allocation (Rm) | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|------|------|------|------|------|
| Net dividends paid including non-controlling interests ¹ | 505 | 454 | 428 | 727 | 817 |
| Share buyback ² | – | – | 105 | – | – |
| Acquisitions | 697 | 61 | 39 | 132 | 62 |
| Capital expenditure | 237 | 192 | 196 | 138 | 102 |
| Capital replacement | 118 | 40 | 42 | 32 | 56 |
| Research and development | 156 | 137 | 150 | 172 | 152 |
| Quince Capital loan book | 155 | 27 | (73) | 172 | 252 |

¹ Includes the final dividend payment of the previous financial year and the interim dividend payment of the current financial year as per the statement of cash flow.

² Includes the acquisition of non-controlling interests.

Strategic acquisitions, developments and expansions (2017 to 2023)

Reunert acquires businesses where these align with its strategy, segments and core competencies. Reunert's specialist merger and acquisitions team applies a rigorous due diligence process to understand the targeted business and its operating environment, risks and prospects.

Reunert's strategy intends to reduce its South Africa revenue concentration risk and deliver top-line growth. Acquisitions have been a core component of this strategy and between September 2017 and 2023, the Group has invested a cumulative R1 814 million into acquisitions. In 2023, these strategic acquisitions contributed R4 827 million in revenue (2022: R3 290 million).

In line with its strategic intent, Reunert divests in non-core assets that do not achieve the required returns. In 2021 and 2022, Reunert reduced its exposure to its Zimbabwean cable assets with the sale of 46% of its stake in Cafca. CBI-Electric: Telecom Cables business rescue has been completed; all jobs were successfully saved and retained.

Electrical Engineering Segment investments

| CIRCUIT BREAKERS – ENERGY MANAGEMENT SOLUTIONS | | |
|--|---|--|
| STRATEGIC INVESTMENTS | RATIONALE | OUTCOME |
| CBI-Electric invested in the development of Astute IoT product range and smart energy management solutions for commercial markets. In 2022 CBI-Electric launched its newly developed commercial solutions under the CBI-Energy banner. | <ul style="list-style-type: none"> > Offering greater value-added services and solutions > Moving up the value chain > Strong growth opportunities over the long-term | CBI-Electric becomes an active player in the smart energy management market offering commercial grade capabilities |

ICT Segment investments

BUSINESS COMMUNICATION

| STRATEGIC INVESTMENTS | RATIONALE | OUTCOME |
|---|--|---|
| <p>2018: The Group acquired SkyWire, a last mile broadband connectivity provider.</p> | <ul style="list-style-type: none"> > Early life cycle business > Fast growing market > Broadband connectivity > Complementary to ECN | <p>Diversified from a primarily fixed voice-only business to a vertically integrated business communications solutions provider, with:</p> <ul style="list-style-type: none"> > Full suite of voice offerings |
| <p>2019: Reunert broadened the suite of ICT solutions with the purchase of Oculus IP, a voice over internet protocol, telephony and data solutions provider. In 2020, Oculus IP was integrated into SkyWire.</p> | <ul style="list-style-type: none"> > Increase geographical presence, especially in the Western Cape | <ul style="list-style-type: none"> > Connectivity, data and internet services > Complementary data and value-added services |

SOLUTIONS AND SYSTEMS INTEGRATION

| STRATEGIC INVESTMENTS | RATIONALE | OUTCOME |
|--|---|--|
| <p>2020: The Solutions and Systems Integration Cluster was formed to service customers' changing digital needs. The cluster focuses on digital integration solutions and consulting advisory services targeted at medium-sized enterprises. +OneX was the first business unit in this cluster.</p> | <ul style="list-style-type: none"> > Digital integration solutions > New age ICT player > Targeting a fast-growing market > Targeting enterprise customers > Investing in early life cycle businesses with strong growth rates > Scaling the business | <p>Moving up the value chain and further diversification of the ICT Segment by building a digital integrated solutions provider, +OneX, and scaling the business to offer a suite of next-generation technology solutions.</p> |
| <p>2021: The Group enhanced the product suite of +OneX by adding two bolt-on acquisitions which hosted private cloud hosting services and digital media and data consulting.</p> | | |
| <p>2022: The Group acquired a software firm to add scale to +OneX's existing software development offering.</p> | | |
| <p>2023: The acquisition of an end-user computing specialist further enhanced the cluster's digital integration services.</p> <p>In April 2023, Reunert acquired cybersecurity and a managed services company, MMC. The acquisition will bolster +OneX's offering.</p> <p>Reunert acquired a 74,2% shareholding in IQbusiness in July 2023. The acquisition will allow the cluster to expand its range of complementary offerings with a significant increase in both the enterprise and SME space.</p> | | |

TOTAL WORKSPACE PROVIDER

Diversified the Total Workspace Provider Cluster from being primarily print and hardware-focused to having annuity revenue, augmented by a range of complementary total workspace solutions and services facilitating and enabling customers' businesses.

Applied Electronics investments

| RENEWABLE ENERGY – SOLAR | | |
|---|--|--|
| STRATEGIC INVESTMENTS | RATIONALE | OUTCOME |
| <p>2017¹: Reunert entered the renewable energy market by acquiring a 62,5% stake in Terra Firma Solutions. From 2020 to 2023, almost all of the balance of the shares in Terra Firma Solutions was acquired either directly or through the Lumika Renewables joint venture.</p> | <ul style="list-style-type: none"> > Early life cycle business > Strong growth rate > Annuity revenue streams | <ul style="list-style-type: none"> > Providing embedded solar generation solutions in South Africa and into Africa > Focusing on the commercial and industrial sectors > Capacity to develop, build and own solar assets securing annuity business > Ability to capitalise on new opportunities, including wheeling, which arise from South Africa's liberalised energy market |
| <p>2021¹: Reunert and A.P. Møller Capital announced a joint venture, Lumika Renewables. The joint venture designs, builds, finances and owns renewable energy solutions for commercial and industrial customers in selected African markets.</p> | <ul style="list-style-type: none"> > Increasing Reunert's exposure to the renewable energy market > Increasing geographical presence | |
| <p>2022¹: Reunert acquired Apollo Africa which offers wheeled renewable energy solutions.²</p> | <ul style="list-style-type: none"> > Increasing Reunert's exposure to a new aspect of the renewable energy market > Potential for opportunities outside of South Africa's borders > Allows customers to reduce their dependence on Eskom and cut electricity costs | |
| RENEWABLE ENERGY – BATTERY STORAGE | | |
| <p>2019¹: Reunert acquired a 51% stake in Blue Nova Energy, a business specialising in developing and manufacturing energy storage solutions.</p> | <ul style="list-style-type: none"> > Rapidly growing battery energy storage market > Adding new technologies > Broadening access to new markets | Secured access to battery storage solutions as part of offering integrated renewable energy solutions to customers |
| DEFENCE AND COMMERCIAL TECHNOLOGY | | |
| <p>2022¹: Reunert purchased electronics equipment company Etion Create.</p> | <ul style="list-style-type: none"> > Early life cycle business > Strong growth rate > Annuity revenue streams | The acquisition unlocks synergies with other Applied Electronics business units, specifically due to Etion Create's enhanced design and manufacturing capabilities. Etion Create will also increase the breadth of the segment's product portfolio and improve access to key export markets. |

¹ Refers to calendar not financial years.

² Refer to page 31 for more details on the concept of wheeling.