

UNAUDITED CONDENSED
CONSOLIDATED INTERIM
FINANCIAL STATEMENTS¹

and cash dividend declaration for the six months ended
31 March 2026 and changes to the Board and Board committees

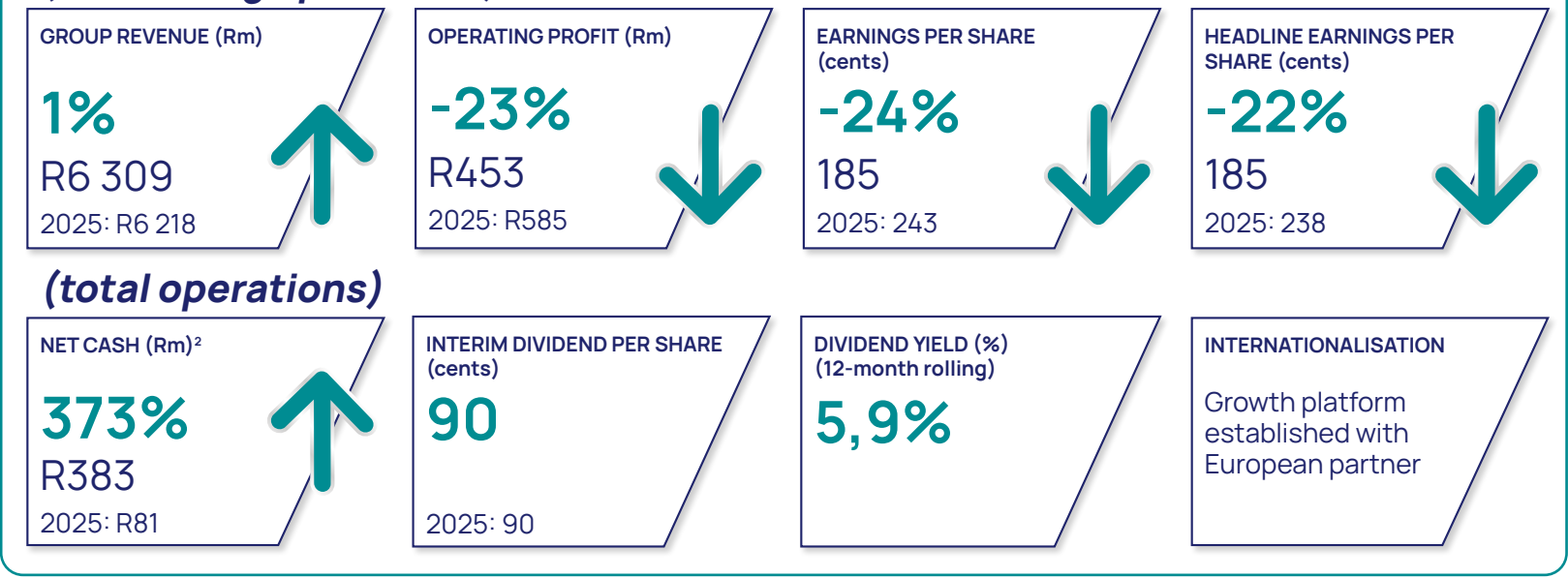
2026

The contents of this announcement are the responsibility of the board of directors of the Company (the Board). Shareholders are advised that this announcement does not contain full or complete details and represents a summary of the information contained in the full announcement, which is accessible *via* the JSE cloudfink at https://senspdf.jse.co.za/documents/2026/JSE/ISSE/RLO/Interim_26.pdf and on Reunert's website (www.reunert.co.za/reporting-and-results.php) from 22 May 2026. Shareholders and investors are advised to review the full announcement in making any investment decisions.

This announcement has been prepared in compliance with the JSE Listings Requirements.

SALIENT FEATURES

(continuing operations)



Overview

During the six months ended 31 March 2026 (H1 FY: 2026), the operating environment has evolved materially, reflecting a combination of global macroeconomic shifts and heightened geopolitical activity. Geopolitical developments in the Middle East have been a notable contributor to recent changes in market conditions, influencing foreign exchange rates, energy prices, supply chains and overall sentiment. The full impact of these developments (positive or negative) on the Group is still unfolding.

The Group's diversified portfolio underpinned a resilient financial performance, with two of the three segments delivering solid operating results for H1 FY: 2026. The ICT Segment delivered a stable performance as strategic actions taken in the 2025 financial year (FY: 2025) gained traction, while the Applied Electronics Segment delivered a strong improvement in operating profit compared to the six-month period ended 31 March 2025 (H1 FY: 2025), driven by strong order execution in the Defence Cluster. However, the Electrical Engineering Segment's performance, particularly the power cable businesses in both South Africa and Zambia, was weaker during the period. The power cable businesses were impacted by the:

- weaker demand in both South African and Zambian infrastructure investment;
- rapid appreciation of the Zambian Kwacha against the US Dollar (USD); and
- record high raw material commodity prices during the period.

The Group's operating profit was further adversely impacted by the non-cash IFRS 2 – *Share-based Payment* remeasurements of the Group's cash-settled Employee Share Ownership Plan (ESOP) and equity-settled Conditional Share Plan (CSP) during the period.

Group results – continuing operations

The Group's revenue increased by 1% to R6 309 million (H1 FY: 2025: R6 218 million), while operating profit decreased by 23% to R453 million (H1 FY: 2025: R585 million).

The marginal increase in revenue was driven by strong circuit breaker export volumes in the Electrical Engineering Segment and the disciplined execution on a healthy order book, which contributed to the excellent Defence Cluster performance during the period. Revenue from the ICT Segment was lower than the prior comparative period, reflecting the continued subdued South African market environment and longer client decision cycles.

Operating profit was impacted negatively by the factors in the Electrical Engineering Segment, described above, that more than negated the Defence Cluster's double-digit growth.

The remeasurement of the Group's ESOP, driven by the recovery in the Reunert share price during the period and the imminent vesting of the plan in April 2027, resulted in a negative R32 million (H1 FY: 2026: R19 million expense; H1 FY: 2025: R13 million income) period-on-period movement, while the remeasurement of the Group's CSP resulted in a negative R20 million (H1 FY: 2026: R25 million expense; H1 FY: 2025: R5 million expense) period-on-period movement.

The Group's operating profit was further adversely impacted by an increase in the allowance for expected credit losses of R15 million for the period (H1 FY: 2025: R16 million decrease in allowance), as well as the recognition of R11 million as the Group's share of the after tax loss from the equity-accounted solar energy business (H1 FY: 2025: Rnil).

Cash resources and liquidity

The Group's net cash position after borrowings was R383 million (H1 FY: 2025: R81 million), with a net ungeared ratio of 4,7% (H1 FY: 2025: 1,1% ungeared). Cash generated from operations declined marginally to R485 million (H1 FY: 2025: R514 million) due primarily to lower profitability achieved in the current reporting period. The positive free cash flow generated for the period remained in line with the prior comparative period at R214 million (H1 FY: 2025: R211 million). There was a net investment of R197 million in working capital (H1 FY: 2025: R126 million investment), mainly as a result of the increases in raw material commodity prices, reaching record highs during H1 FY: 2026, that impacted the working capital investment in the power cable businesses. The current ratio improved to 2,8 (H1 FY: 2025: 2,4). Cash invested into capital expenditure amounted to R69 million (H1 FY: 2025: R103 million), of which R40 million (H1 FY: 2025: R53 million) related to expansion projects mainly in the ICT and Applied Electronics Segments. The Group has total available funding facilities of R2 875 million and remains in compliance with all its debt covenants.

Segmental review

Electrical Engineering

Electrical Engineering's segment revenue increased by 2% to R3 503 million (H1 FY: 2025: R3 448 million), while segment operating profit decreased by 40% to R138 million (H1 FY: 2025: R229 million). The operating margin contracted from 6,6% to 3,9%, reflecting the severe impact of the factors outlined below.

The circuit breaker business delivered a resilient top-line performance. Stable volumes in South Africa were supported by excellent export growth, specifically into the USA. However, the stronger Rand-to-USD exchange rate and the increased USA tariffs during the first quarter of the financial year had a negative impact on the business's export profitability through export margin compression.

In the South African power cable business orders were delayed, mainly around the recapitalisation of the transmission grid and low volumes from local municipalities. High voltage cable volumes remained at the low level of the prior comparative period, with volumes of medium and low voltage cable decreasing by 14% and 20% respectively.

This is evident in the South African gross domestic fixed investment (GDFI) falling to its lowest level in 25 years, at 14% of gross domestic product, as the South African government's stated commitment to infrastructure investment did not translate into tangible activity in the period.

Higher maintenance services and focused cost containment measures, including a reduction in overtime, partly offset the loss in contribution from the lower volumes in the South African power cable business. This business remains focused on securing and delivering power cable sales across all product lines over the short and medium term.

In Zambia, the appreciation of the Zambian Kwacha against the USD by an average of 21% compared to the prior comparative period, continued the margin degradation in the Zambian power cable business and resulted in foreign exchange losses that negatively impacted the H1 FY: 2026 result. In addition, the demand for the business's copper products was dampened by a severe 31% increase in copper prices in the period, which caused a delay in order placement by customers. The offtake from ZESCO, the Zambian power utility, continued to be subdued.

ICT

ICT's segment revenue decreased by 4% to R1 861 million (H1 FY: 2025: R1 944 million), while segment operating profit increased by 1% to R321 million (H1 FY: 2025: R318 million). The improvement in operating margin from 16,4% to 17,2% demonstrates the segment's improved operational efficiency and the positive impact of strategic initiatives undertaken in FY: 2025.

The restructured and now fully integrated businesses of Electronic Communications Network (Pty) Ltd and Skywire (Pty) Ltd, rebranded as Reunert Connect and forming the Business Communication Cluster, delivered a solid performance as demand for enterprise connectivity and last-mile broadband continued to provide steady revenue growth.

The Total Workspace Provider Cluster, under the Nashua brand, maintained a solid performance in a weak local economy, supported by recurring revenues and the continued expansion of complementary workspace and technology solutions.

The Rental-based Finance Cluster continued to deliver high-quality earnings supported by strong credit discipline and collections performance. The overall finance book remains stable and continues to generate appropriate risk-adjusted returns.

The Solutions and Systems Integration Cluster delivered a good financial performance with improved operational discipline and efficiency following the FY: 2025 restructuring. The merged *iqbusiness*, under a new and restructured leadership team, together with a leaner cost base and a focused go-to-market strategy, yielded the desired improvement in operational performance. The cluster improved efficiencies and developed new revenue streams, with an increased focus on digital lifecycle services, including cloud, data and AI-enabled solutions.

Applied Electronics

Applied Electronics' segment revenue increased by 9% to R1 025 million (H1 FY: 2025: R938 million) and segment operating profit increased notably by 41% to R110 million (H1 FY: 2025: R78 million), delivering a strong period-on-period improvement as market fundamentals continued to strengthen.

Defence

The Defence Cluster delivered a robust improvement in performance compared to the prior comparative period, achieving revenue growth on the back of good execution despite the negative impact of the appreciation of the Rand on the cluster's foreign denominated export revenues. Higher operating leverage and profit were driven through improved capacity utilisation, production efficiencies and favourable product mix. Profitability was enhanced by realised foreign exchange gains due to an effective foreign exchange hedging strategy.

The fuze business contributed positively to the cluster's performance through good execution of export orders with improved production efficiencies. The business's diverse product offering continues to secure a healthy, multi-year order book.

The radar business continued to demonstrate excellent delivery progress on multiple strategic intellectual property co-development programmes. The business is actively pursuing large co-production opportunities with partners for the industrialisation phase.

The secure communications businesses strengthened revenue and operating profit due to the improved local order intake and remain well positioned with large export pipeline opportunities.

The logistics businesses experienced delays in key export orders due to original equipment manufacturing platform delays, resulting in lower revenue and operating profit. These orders are expected to be recovered in the second half of 2026 (H2 FY: 2026).

Renewable Energy

The solar energy business experienced a weaker first half due to lower build rates that were attributable to delays to site readiness and high summer rains in key build regions, which negatively impacted fixed cost recoveries and reduced margins. Despite this, there was a solid performance on energy sales from Build-Own-Operate (BOO) assets.

Apollo Africa, the Group's wheeling business, continued to progress its pipeline of Generator Power Purchase Agreements (GPPAs) and Consumer Power Purchase Agreements (CPPAs) during the period, achieving key commercial milestones on both the supply and offtake side. The Eskom High Court Review challenging the issuance of electricity trading licences was formally stayed by agreement between Eskom, the National Energy Regulator of South Africa, and the licensed traders, pending the finalisation of the Electricity Trading Rules.

Changes to the Board and Board committees

In compliance with paragraph 6.71 of the JSE Listings Requirements, the Board hereby advises of the following changes to Board committees:

- Mr Antonie de Beer, the chief executive officer and an executive director of Reunert, will be appointed as a member of the Risk Committee and the Social, Ethics and Transformation Committee, with immediate effect; and

- Mr Alan Dickson, who will be stepping down as an executive director of Reunert with effect from 31 May 2026, will relinquish his membership of the Risk Committee on the appointment of Mr de Beer.

In accordance with the requirements of the Companies Act, No. 71 of 2008, as amended, Mr de Beer's appointment to the Social, Ethics and Transformation Committee will be presented to Reunert shareholders for approval at the next annual general meeting (AGM) of the Company.

Mrs Tasneem Abdool-Samad, an independent non-executive director, will retire from the Board at Reunert's next AGM scheduled for 23 February 2027. The Board would like to thank Mrs Abdool-Samad for her valuable contribution during her 12-year tenure. She is currently the chair of the Remuneration Committee and a member of the Nomination and Governance, Audit and the Investment Committees. Replacements for these roles will be announced in the foreseeable future.

Events after the reporting period

Establishment of an independent electronic fuze manufacturing capability in Slovakia

On 6 May 2026, Reunert International Holdings (Pty) Ltd, a wholly owned subsidiary of Reunert, entered into a sale of shares agreement in terms of which it will acquire 51% of the registered shares in a wholly owned subsidiary of CSG for a nominal amount, and a shareholders' agreement with CSG for the establishment of a strategic European electronic artillery fuze manufacturing capability for large calibre ammunition in Slovakia. The transaction is subject to the fulfilment of suspensive conditions customary for a transaction of this nature and had not become effective by the date of this announcement.

Acquisition of the Silversoft group

On 13 May 2026, IQ Business (Pty) Ltd, a subsidiary of Reunert, entered into a sale of business agreement in terms of which it will acquire 100% of the South African business and related operating assets of the Silversoft group as going concerns, and a sale of shares agreement with Silversoft Jersey Limited to acquire 100% of the issued shares of Silversoft UK Limited. The transactions are subject to the fulfilment of suspensive conditions customary for transactions of this nature and had not become effective by the date of this announcement.

The Silversoft group provides enterprise software and digital solutions to people- and project-centric organisations in South Africa, the United Kingdom and the Middle East.

Both transactions fall below the threshold for categorisation in terms of the JSE Listings Requirements and are therefore disclosed on a voluntary basis for information purposes only.

Prospects

The dynamic global geopolitical environment will continue to impact the Group's operations. The Group continues to rely on the quality and strength of its experienced management teams and employees to navigate challenges, as they have successfully done previously.

The Electrical Engineering Segment is expected to improve upon the financial performance achieved in the first half of the year. This outlook is supported by a robust order book across both the circuit breaker and Zambian power cable businesses.

Overall infrastructure spending will remain under pressure for the remainder of the financial year. It is anticipated, however, that the Transmission Development Plan is expected to gain momentum during the 2027 calendar year.

The ICT Segment is expected to grow, driven by a refreshed go-to-market strategy in *iqbusiness* and improved cost efficiencies resulting from strategic restructuring implemented in the second half of 2025.

The Defence Cluster within the Applied Electronics Segment is expected to sustain its positive volume growth trajectory, underpinned by a strong order book and continued demand in a buoyant global defence market. However, the current strength of the Rand is expected to weigh on financial performance growth in H2 FY: 2026, particularly as a significant portion of the Defence Cluster's revenue is denominated in hard currency.

The Group is undertaking a strategic refresh to position the business for the growth opportunities ahead. This will focus on sharper execution, disciplined cash management and prioritising the areas of the business with the strongest potential to create value.

Cash dividend

Notice is hereby given that a gross interim cash dividend No. 200 of 90,0 cents per ordinary share (March 2025: 90,0 cents per ordinary share) has been declared by the Board for the six months ended 31 March 2026. The dividend has been declared from retained earnings. 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 72,0 cents per ordinary share (March 2025: 72,0 cents per ordinary share).
Income tax reference number: 9100/101/71/7P.

The issued share capital at the declaration date is 182 665 316 ordinary shares.

In compliance with the requirements of Strate Proprietary Limited and the JSE Listings Requirements, the following dates are applicable:

Last date to trade (<i>cum</i> dividend)	Tuesday, 23 June 2026
First date of trading (<i>ex</i> dividend)	Wednesday, 24 June 2026
Record date	Friday, 26 June 2026
Payment date	Monday, 29 June 2026

Shareholders may not dematerialise or rematerialise their shares between Wednesday, 24 June 2026 and Friday, 26 June 2026, both days inclusive.

On behalf of the Board

Mohamed Husain Chairman	Anthonie de Beer Chief Executive Officer	Mark Kathan Chief Financial Officer
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Sandton, 21 May 2026

¹ Extracted financial information from the unaudited condensed consolidated interim financial statements for the six months ended 31 March 2026.

² Net cash is calculated as net cash and cash equivalents less external borrowings.