



Mustek
L I M I T E D

INTEGRATED ANNUAL REPORT

2025

i

Say Hello to Kei

Your friendly guide throughout
Mustek's **2025** Integrated Annual
Report.

Inspired by the King Protea, South Africa's national flower, and infused with elements from the world of technology and solutions, Kei embodies the spirit of innovation and growth that drives Mustek forward.

As you journey through this report, Kei will help highlight important insights, explain complex ideas, and shine a light on how Mustek is assembling a smarter, more connected future — for business, for people, and for the planet.

Let's grow together.



How To Navigate This Report



Page navigation,
Previous Page, Home Next Page



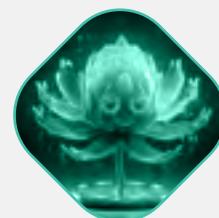
Scan QR code for more information



More information on our website



Download available



Capital Inputs

The following icons are used to illustrate our capital inputs:



Financial capital



Manufactured capital



Intellectual capital



Human capital



Natural capital



Social and relationship capital

Future-Fit Thinking

Preparing for the future means acting decisively today. At Mustek, we take a forward-looking approach to value creation - aligning financial performance with responsible growth and resilience. By focusing on efficiency, innovation and long-term outcomes, we're shaping a Group that can thrive in an evolving world and meet the needs of future generations of stakeholders.

Annual Report 2023

2 INTRODUCTION

3 ABOUT THIS REPORT

4 ABOUT MUSTEK GROUP

5 GROUP PROFILE

7 VALUE CREATION HIGHLIGHTS

7 AWARDS

8 OUR OPERATING CONTEXT

10 KEY RELATIONSHIPS

14 OUR BUSINESS MODEL

16 LEADERSHIP REVIEWS

17 MESSAGE FROM THE CHAIRMAN

18 CEO'S REVIEW

20 STRATEGIC REVIEW

21 OUR TOP RISKS

26 MATERIAL OPPORTUNITIES AND CONCERNS

30 STRATEGY

32 HOW WE SUSTAIN VALUE CREATION

33 SIX-YEAR FINANCIAL REVIEW

34 RATIOS

36 2025 BUSINESS SEGMENT REVIEWS

44 PERFORMANCE REVIEWS OF ASSOCIATE ENTITIES

50 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

52 FINANCIAL DIRECTOR'S REPORT

56 SOCIAL

56 COMMUNITY INVESTMENTS

59 OUR PEOPLE

70 GROUP SOCIAL AND ETHICS COMMITTEE REPORT

73 ENVIRONMENT

76 GOVERNANCE

84 GROUP REMUNERATION AND NOMINATIONS COMMITTEE REPORT

92 ANNUAL FINANCIAL STATEMENTS

201 GLOSSARY

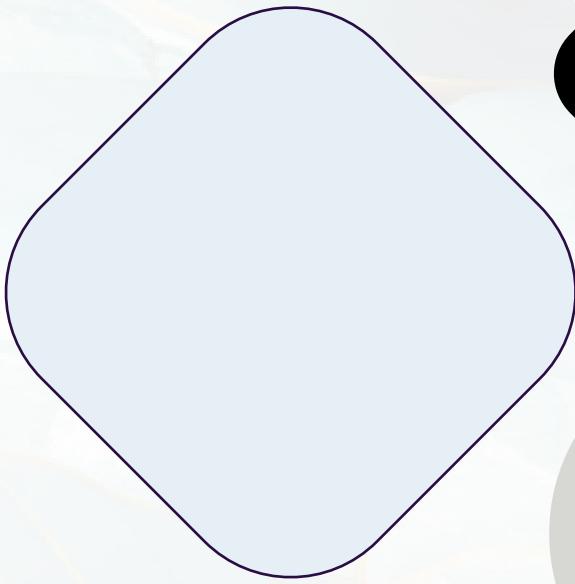
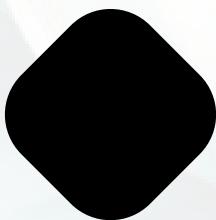
203 COMPANY INFORMATION

Engage with us

We welcome feedback on this report.

Please send your comments or questions to Shabana Aboo Baker Ebrahim at shabanaa@mustek.co.za.

INTRODUCTION



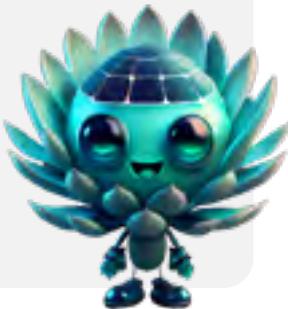
ABOUT THIS REPORT

This Integrated Annual Report presents a comprehensive view of Mustek Limited (the Mustek Group, Mustek, or the Group) for the financial year ended 30 June 2025 (FY25). It sets out the Group's financial and operational performance, governance practices, risks, and strategic outlook, along with the opportunities and external factors influencing our journey. The report aims to provide stakeholders with meaningful insight into how Mustek creates, protects and grows value over time.

Reporting principles and frameworks

This report has been prepared with reference to key global and local reporting standards to ensure transparency, relevance and comparability. These include the IFRS Foundation's Integrated Reporting Framework (2021), the Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance, the JSE Listings Requirements, the Companies Act 71 of 2008 (as amended), and the King IV Report on Corporate Governance™ for South Africa, 2016*.

**Copyright and trademarks are owned by the Institute of Directors in South Africa NPC. All rights reserved.*



Reporting boundary and scope

This report covers the Mustek Group's financial and non-financial performance for the period from 1 July 2024 to 30 June 2025. Where applicable, data for wholly owned subsidiaries is included. Further information on investments in subsidiaries and associates is available in notes 16 and 17 of the annual financial statements.

Report approval and assurance

This Integrated Annual Report was developed under the guidance of Mustek's executive team and reviewed by the Board to ensure that it presents a complete, balanced and accurate picture of the Group's performance. The Board is satisfied that the report addresses all material matters and approved it on 10 October, 2025.

The report is supported by a multi-layered assurance process. Nexia SAB&T, the Group's internal auditors, reviewed financial and non-financial systems and controls. The financial statements were independently audited by BDO South Africa Incorporated. mPowerRatings verified the Group's B-BBEE contributor status, ensuring continued transparency and accountability. Together, these measures strengthen the credibility and integrity of this report.

Forward-looking statements

This 2025 Integrated Annual Report contains forward-looking statements that reflect the Group's expectations for future performance. These are not guarantees and may be influenced by risks or uncertainties beyond our control. These statements have not been audited or reviewed by external auditors, whose focus remains on the historical financial data. Stakeholders are advised to interpret all forward-looking information with appropriate caution.



ABOUT MUSTEK GROUP



GROUP PROFILE

The Mustek Group is a seamless technology solutions provider. Established in 1987 and listed on the JSE in 1997, the Group has evolved from its distribution and assembly-focus into an integrated IT group, with a mission centered on anticipating material stakeholder needs for long-term sustainability and stakeholder value creation.

The Group operates through a network of synergistic companies across the core areas of distribution, manufacturing, training and services.



MISSION AND VALUES

Our Mission

To anticipate material stakeholder needs and shape the Group to ensure sustainability and benefits for all stakeholders over the long term.

Our Values

The Mustek Group is guided by a set of values that shape its culture, relationships and operational approach:



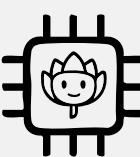
Integrity, respect and appreciation

The Mustek Group champions a culture of honesty, transparency and fairness. We believe in employment equity, respect for people and human dignity for all. We encourage an environment in which our people are valued and feel they can be themselves.



Knowledge and attitude

The Mustek Group takes pride in the stakeholders it serves. The Group invests in developing employees and communities to grow our knowledge base. We build strong relationships and alliances with all stakeholders to achieve long-term benefits.



Flexibility

The Mustek Group operates within a constantly changing environment so being flexible is vital for success. Mustek's people are able and eager to find innovative solutions to new challenges.



Responsibility and accountability

The Mustek Group values and counts on our people. Driving shared accountability and acceptance of personal responsibility at all levels, we are accountable and take ownership. We bring solutions not problems.

VALUE CREATION HIGHLIGHTS

Economic

NET ASSET VALUE PER SHARE

2 869.71 cents

(FY24: 2 801.15 cents)

REVENUE

R7.2 billion

(FY24 (restated): R8.4 billion)

HEADLINE EARNINGS PER SHARE

72.73 cents

(FY24: 67.13 cents)

DIVIDEND PER SHARE

13.75 cents

(FY24: 7.50 cents)[1]

Social: Human capital

TOTAL EMPLOYEES

1 112

(FY24: 1 335)

TRAINING AND DEVELOPMENT SPEND

R17.9 million

(FY24: R21.4 million)

MUSTEK OPERATIONS

ISO27001 certification
Maintained since June 2022

Social: Community development

CORPORATE SOCIAL INVESTMENT (CSI)

spend R978 000

(FY24: R2.5 million)

B-BBEE RATING

Level 1

(FY24: Level 1)

Environmental

MUSTEK OPERATIONS:

ISO 14001 certification
Maintained for 20 years[2]



AWARDS

Mustek

Distributor of the Year -

Lenovo International Sales Organisation

Relationship Distributor of the Year -

Lenovo Intelligent Device Group

Business Champion for South Africa -

Bitdefender

Best Business Exploration Award -

Hikvision

Printer and Consumables Distributor of the Year -

Channelwise

Electron

PURSUING EXCELLENCE

Dean Matteucci named

Lenovo Enterprise Product Champion of the Year

MECER Info-Ed

Authorised Learning Partner of the Year - **Huawei**

Gold Tier Check Point Authorised Training Centre

(only one in Africa)

Education Partner of the Year - **IAMCP**



OUR OPERATING CONTEXT

Mustek's 2025 financial year unfolded in a context of considerable complexity. On one hand, global demand for digital technologies remained strong. On the other, South Africa continued to grapple with economic stagnation, high unemployment, structural shifts in government, and persistent infrastructure failures. This duality shaped the Group's approach to managing risk, identifying opportunity and delivering resilient performance.

Globally, the technology sector saw renewed investment, particularly in artificial intelligence (AI), cloud infrastructure and cybersecurity. According

to Gartner, global IT spending is expected to reach US\$5.4 trillion in 2025 - an 8% increase from 2024 - driven by generative AI, data centre growth and modernisation of enterprise systems. These trends support continued demand for the full IT stack, from end-user devices to back-end infrastructure, positioning Mustek well across multiple verticals.

At the same time, global uncertainty remains a factor. Geopolitical tension, interest rate volatility and supply chain fragility continue to affect currency performance, pricing dynamics and import costs, particularly in emerging markets like South Africa.

Navigating SA's structural challenges

Domestically, economic growth has remained weak. South Africa's GDP expanded by just 0.6% in 2024, constrained by various factors, including political uncertainty, logistics challenges and limited investment activity. While average inflation moderated to around 3% at the end of June 2025, and nominal interest rate cuts were implemented, economic momentum remains subdued.

Unemployment remains a major structural issue. According to StatsSA, the national unemployment rate sat at 33.2% at the end of June 2025, with youth unemployment staying stubbornly at 46.1% in the second quarter of 2025. Over 30 million South Africans now live below the poverty line. These conditions have deep social and economic implications, not only reducing demand in the consumer segment, but also fuelling a trust deficit in public institutions and constraining long-term skills development.

The digital divide is another growing concern. While Statista estimates internet penetration to be 77.85% in 2025, connectivity remains uneven across urban and rural areas. Affordability, speed and access remain significant barriers for many. Government aims to reach 80% of households through the South Africa Connect programme, but rollout delays continue. This widening gap between the digitally connected and excluded creates long-term risks, but also highlights the role Mustek can play in closing that divide through the provision of devices, infrastructure and skills training.

Public sector bottlenecks and deferred demand

One of the year's most disruptive themes has been the continued breakdown of public procurement processes. These investment delays affect the IT sector more severely than in previous years. A significant number of technology consumers - especially public service institutions were unable to act on approved budgets or proceed with planned device and infrastructure rollouts.

Despite this, the underlying demand for IT in the public sector remains strong, and there are indications that deferred procurement may start up again in FY26. This latent demand, especially in areas tied to service delivery and digitisation mandates, could drive a meaningful recovery once fiscal processes stabilise.

Political shift and reform potential

The 2024 general election brought significant political change. No party secured a majority, and the African National Congress (ANC) formed a Government of National Unity (GNU) with the Democratic Alliance (DA) and others. This coalition structure, and the subsequent teething problems the GNU experienced, have created uncertainty, but also introduced hope for greater accountability and balanced decision-making.

The GNU's early policy statements have prioritised inclusive growth, reducing the cost of living, and rebuilding state capability. Encouragingly, the 2025 national budget - once it was eventually finalised - allocated over R1 trillion to infrastructure investment, with commitments to streamline public-private partnerships. These shifts could unlock medium-term opportunities in broadband expansion, smart public infrastructure and energy resilience.

There is also growing pressure on government to address long-standing backlogs in education, health and IT infrastructure. Any improvements in procurement discipline and budget execution -especially under public scrutiny - could result in more consistent demand patterns and faster turnaround times for delivery partners like Mustek.

Sector dynamics and new opportunities

The South African tech sector remains active, with strong demand in enterprise and SME segments for hardware, cloud migration, cybersecurity and AI-enabling infrastructure. With hybrid work now a fixture for many companies, and data-driven decision-making on the rise, organisations continue to invest in IT, even in a constrained macro environment.

Of course, the issue of power security remains critical. Load-shedding cost the economy an estimated R926 million per day in 2023. Although conditions began to improve from March 2024, and Eskom recorded 100 load-shedding free days by the end of July that year, underlying energy insecurity remains. Demand for inverters, batteries and backup power solutions is expected to continue, but with greater selectivity and increased pressure on price. Mustek's green energy product line is well positioned in this space.

That said, solar-related volumes declined during FY25. A combination of improved grid availability and previous oversupply contributed to softer sales, particularly in the residential market. Commercial clients remain engaged, but are demanding better value, technical differentiation and support. As the market matures, inventory management and pricing discipline have become particularly important.

Looking ahead

As public sector procurement processes begin to stabilise and infrastructure investment accelerates under the GNU, Mustek is well-positioned to support both private and public sector clients with trusted IT products, services and solutions as well as critical digital skills development.



KEY RELATIONSHIPS

Our approach to stakeholder engagement

Mustek Group's ability to grow, create value and remain sustainable is closely tied to the strength of our stakeholder relationships. These relationships are grounded in integrity, respect and accountability, and are essential to how we operate and deliver on our purpose.

Our engagement approach is proactive and inclusive. We aim to involve key stakeholders in shaping strategic decisions, identifying risks and spotting opportunities early. Through open communication, we share relevant information, respond to concerns and consider stakeholder priorities in our planning and operations. This helps build trust, manage expectations and protect the Group's long-term reputation.



Investors, shareholders and financial institutions



Employees



Customers and resellers



Suppliers and vendors



Government and regulators



Communities



Media and analysts



Environment



KEY RELATIONSHIPS (CONTINUED)

Stakeholder Group	Key interests and concerns	Our response and value created	How we engage
Investors, shareholders and financial institutions 	<ul style="list-style-type: none"> - Financial returns and dividend certainty - Share liquidity - Liquidity and debt management - Corporate governance and risk oversight - Long-term sustainability - Transparent disclosure 	<ul style="list-style-type: none"> - Responsible capital allocation and working capital discipline - Reliable financial disclosure and debt covenant alignment - Strong governance and ESG reporting 	<ul style="list-style-type: none"> - Investor presentations and roadshows - JSE SENS announcements - Engaging shareholders on Mustek's capital allocation strategy and dividend policy - Providing updates on the Group's ESG performance and long-term value creation strategy - Financial reporting and AGMs - Integrated and interim reports - Dedicated investor relations contact
Employees 	<ul style="list-style-type: none"> - Job security and working conditions - Fair remuneration and incentives - Training, growth and succession - Equity and inclusion - Health, safety and wellness - Governance and information security 	<ul style="list-style-type: none"> - Skills development, career pathing and internal mobility - Transparent performance and reward systems - Employee recognition initiatives linked to operational excellence - A safe, fair and inclusive workplace culture 	<ul style="list-style-type: none"> - HR policies and onboarding - Two-way engagement regarding career development pathways - Performance reviews and KPIs - Training and mentorship - Employment equity meetings - Pulse check surveys, events and internal comms



KEY RELATIONSHIPS (CONTINUED)

Stakeholder Group	Key interests and concerns	Our response and value created	How we engage
Customers and resellers 	<ul style="list-style-type: none"> - Product quality and availability - Customer service and technical support - Provision of credit facilities to support purchases - After-sales support and technical assistance - Product diversification to address different customer segments and needs - Digital systems and transaction ease - Innovation and early access - Regulatory and POPIA compliance - ESG and sustainable products 	<ul style="list-style-type: none"> - Responsiveness and lifecycle support - Tailored training and solution design - Compliance alignment and proactive support 	<ul style="list-style-type: none"> - Account management and site visits - Reseller portal and digital tools - Roadshows, product launches and webinars - Surveys and feedback channels - Contract negotiations and SLAs
Suppliers and vendors 	<ul style="list-style-type: none"> - Market growth and penetration - Strategic alignment and forecasting - Training and certifications - Contract clarity and timely payments - B-BBEE and preferential procurement - POPIA and compliance 	<ul style="list-style-type: none"> - Stable demand forecasting and stock movement - Transparent procurement and ESD commitments - Long-term partnerships 	<ul style="list-style-type: none"> - Supplier development and relationship management reviews - Quality assurance engagements - Joint marketing initiatives - Vendor training programmes - Exhibitions, launches and forums - Supply chain audits

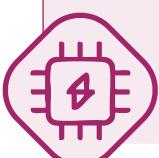
KEY RELATIONSHIPS (CONTINUED)

Stakeholder Group	Key interests and concerns	Our response and value created	How we engage
Government and regulators 	<ul style="list-style-type: none"> - Compliance with legislation and regulations - Taxation - Employment equity and transformation - Skills development and youth employment - Ethical conduct and governance - Exchange and import controls - Data protection and POPIA 	<ul style="list-style-type: none"> - Continued B-BBEE Level 1 rating - Transparent engagement on regulatory changes - Strong compliance with applicable laws and regulations 	<ul style="list-style-type: none"> - Statutory reporting and audits - Participation in industry forums - Business association collaboration - Employment equity submissions - Interpersonal and written correspondence
Communities 	<ul style="list-style-type: none"> - Local job creation and procurement - Youth skills development and internships - Education and technology access - Environmental responsibility - Upliftment and inclusion 	<ul style="list-style-type: none"> - Skills transfer and economic opportunity - Expanded digital access in underserved areas - Long-term, values-based social partnerships 	<ul style="list-style-type: none"> - Learnerships and internships - CSI partnerships and digital literacy initiatives - Participation in social development programmes in rural communities (including schools and digital literacy) - Collaboration with community organisations on IT access initiatives - Local vendor support
Media and analysts 	<ul style="list-style-type: none"> - Business performance and strategy - Innovation and leadership - Sustainability and ESG progress 	<ul style="list-style-type: none"> - Increased brand credibility - Transparent communications - Industry recognition 	<ul style="list-style-type: none"> - Media releases and interviews - Conferences and thought leadership events - Editorials, features and analyst briefings
Environment 	<ul style="list-style-type: none"> - Climate change and emissions - Energy and water usage - Waste and e-waste recycling - Sustainable products and packaging 	<ul style="list-style-type: none"> - Expanded solar installations across sites - Increased recycling rates - Reduced environmental footprint through responsible sourcing and disposal 	<ul style="list-style-type: none"> - ISO 14001 systems and audits - Solar rollout and renewable energy adoption - Recycling and waste management programmes - Product lifecycle and disposal planning

OUR BUSINESS MODEL

Our mission

To anticipate material stakeholder needs and shape the Group to ensure sustainability and benefits for all stakeholders over the long term.

Capital	Strategic approach	Inputs The resources we depend on
ECONOMIC 	Our financial strength and the quality of our manufactured assets enable us to seize opportunities, weather market volatility, and reinvest in growth. By deploying these resources effectively, we create sustainable returns for shareholders while supporting innovation and operational resilience.	<ul style="list-style-type: none"> Shareholder funds: R1.6 billion (FY24: R1.5 billion) Banking facilities: R2.3 billion (FY24: R2.8 billion) Inventory: R1.75 billion (FY24: R2.35 billion) Enterprise resource planning (ERP) system at Mustek Operations Relationships with top brands and over 10 000 resellers.
ENVIRONMENT 	Long-term business viability depends on a healthy environment. We actively manage our environmental footprint through responsible resource use, waste reduction, and sustainable sourcing. By integrating environmental stewardship into our strategy, we protect the natural systems on which our operations, and our clients, depend.	<ul style="list-style-type: none"> Solar power: 3 771 GJ (FY24: 3 555 GJ) National grid energy: 8 288 GJ (FY24: 9 222 GJ) Group non-renewable fuel: 6 868 GJ (FY24: 6 615 GJ) Solar panel distribution Solar training by Mecer Inter-Ed Extended Producer Responsibility compliance (Section 18 of National Environmental Management: Waste Act 59 of 2008) Safe e-waste disposal awareness campaigns
SOCIAL: PEOPLE 	Our people are central to executing our strategy and delivering value. We focus on attracting, developing, and retaining skilled talent, ensuring that our decisions support their financial wellbeing, career growth, and capacity to innovate. An engaged and capable workforce drives our competitiveness.	<ul style="list-style-type: none"> Total employees: 1 112 (FY24: 1 335) Training and development spend: R17.9 million (FY24: R21.4 million)
SOCIAL: COMMUNITIES 	The communities in which we operate are both beneficiaries and contributors to our success. Through local procurement, skills development, and social investment, we create shared value that strengthens these communities and builds a supportive operating environment for our business.	<ul style="list-style-type: none"> Brand established in 1987 CSI spend Mandela Day initiatives Unemployed youth programmes
GOVERNANCE 	Strong governance is the framework that ensures our strategy is executed with integrity. Transparent leadership, rigorous risk management, and ethical decision-making protect stakeholder trust and ensure we meet both regulatory obligations and societal expectations.	<ul style="list-style-type: none"> Board of directors and sub-committees Office of the Chief Executive Officer (CEO) Independent auditors: BDO South Africa Incorporated Internal auditors: Nexia SAB&T.



LEADERSHIP REVIEWS



MESSAGE FROM THE CHAIRMAN

The 2025 financial year brought another set of tough challenges for South African businesses. From economic volatility to structural shifts in government and global supply disruptions, the operating environment remained unpredictable. Yet, against this backdrop, Mustek stayed true to its character - steady, focused and forward-looking.

Public sector spending slowed dramatically, and key markets such as renewables experienced a pullback following a period of high demand. The shift was noticeable, particularly after the load shedding crisis that had previously fuelled growth in backup power and solar solutions. Meanwhile, global supply pressures, including the proposed increase in US tariffs, began to impact on pricing of key equipment. These factors, combined with a tightening consumer economy, placed pressure on margins across our industry.

Staying grounded in a shifting landscape

Despite all of this, Mustek remained resilient, maintaining operational stability, staying disciplined with our working capital, and taking meaningful steps to sharpen our strategy to position ourselves to take full advantage of the next wave of technological growth.

One of the most significant steps taken by the Board this year was the decision to realign our investment model. In previous years, we held minority stakes in several ventures, which limited our ability to drive outcomes. Going forward, our strategy is to only invest where we can hold a controlling interest and help shape the destiny of the business. This will ensure stronger governance, better accountability and long-term alignment with our vision.

In line with this strategy, we have continued to divest from non-core assets, allowing us to concentrate on high-impact areas that fall within our core strengths, including IT hardware and services, sustainable energy, cloud infrastructure, cybersecurity and training. This renewed focus ensures that we remain agile and strategically aligned in a dynamic market.

Embracing the technology of tomorrow

We are entering what I believe will be a critical period for our industry - a time of accelerated digital transformation, driven by artificial intelligence (AI), automation and data. AI in particular presents an enormous opportunity for our Group and its customers. From reshaping how we work internally to driving demand for hardware refresh cycles and new services, AI is fast becoming a catalyst for growth.

We are working tirelessly to embed these technologies across the Group, investing in capacity, skills development and emerging ventures aligned with this transformation. At the same time, we are simplifying internal systems, automating where possible and creating a more agile operating model. The building blocks we're putting in place now will ensure we're ready to meet future demand, profitably and sustainably.



Purpose-driven sustainability

We are fully aware that sustainability is not only a corporate responsibility; it's also a strategic enabler. At Mustek, we believe that sustainability starts with profitability. The stronger our performance, the more we can invest in the things that matter, such as skills development, youth employment, community upliftment and environmental stewardship.

On the environmental side, we've significantly expanded our renewable energy footprint across our facilities. Solar power installations are now operational at most of our major sites. Our teams also work towards clear sustainability KPIs, which form part of executive performance metrics. This ensures ongoing focus and accountability across all levels of the organisation.

Responsible governance in a complex environment

While the macro-environment has tested many governance frameworks, Mustek remains committed to high ethical standards. The past year has shown that in difficult times, some may be tempted to cut corners - but we know that we cannot afford to lower the bar. For Mustek, integrity is non-negotiable.

We've continued to refine our compliance processes and board oversight, ensuring that governance evolves alongside the business. To this end, I'm very pleased with the strength and balance of our Board, which combines deep sector knowledge, broad experience and youthful insight.

A note of gratitude

It would be remiss of me not to reflect on the legacy of Mustek's founder, the late David Kan. David built this business with vision and resilience, and his influence remains woven into every part of the Group. Since his passing, Hein Engelbrecht and the executive team have continued to lead with purpose and calm determination. On behalf of the Board, I extend heartfelt thanks to them for the hard work they do to keep this business moving forward.

To our employees, customers, partners and shareholders, thank you for your continued belief in Mustek. Our journey is far from over. In fact, it's just entering its next, exciting phase. We remain committed to building a strong, responsive and sustainable business that delivers long-term value for all.

A handwritten signature in black ink, appearing to read "Isaac Mophatlane".

Isaac Mophatlane
Chairman of the Board

CEO'S REVIEW

The past financial year was defined by pronounced contrasts. We entered FY25 with strong momentum and clear strategic intent, yet market conditions - particularly in the public sector - challenged our assumptions and tested our resilience. As a Group, we responded with discipline, adaptability and a continued focus on long-term value creation.

Across our core businesses, demand remained substantially stable, although timing and execution were affected. In the public sector, procurement delays and administrative uncertainty were more severe than expected, resulting in lower device sales and slower delivery on major contracts. We have every reason to believe that this is a temporary situation.



Maintaining stability through change

During the year, Novus Holdings began the process of acquiring a majority stake in Mustek. While the transaction has made progress, it has also faced regulatory complexity, including a mandatory offer to remaining shareholders and an ongoing investigation by the Takeover Regulation Panel. We acknowledge that this has created some uncertainty in the market. However, I want to assure stakeholders that Mustek continues to operate independently, with no disruption to our strategy or operations. For the Group, it remains business as usual.

Focused on fundamentals

A key focus area in FY25 was inventory management. Following an extended period of stock build-up driven by supply chain uncertainty and energy product demand, we realigned our approach to reduce holding costs and limit obsolescence risk. This more conservative strategy strengthens our ability to respond to future market shifts while protecting profitability.

Another key focus was maintaining a disciplined approach to growth by being highly selective in the opportunities pursued, and improving the Group's overall sales mix. This careful balance of prudence and opportunity allowed the business not only to safeguard value but also to unlock meaningful upside potential.

We also began to see the benefit of internal optimisation projects, including changes to our logistics and warehousing operations. These may not always be visible externally, but they are helping to future-proof the business and position us for enhanced returns over time.

Working capital management has been a particular focus over the past 12 months. While the Group's net working capital remains higher than our long-term target range, we have made encouraging progress in rightsizing our stock levels and improving collections. This is a process we are approaching with deliberate care to avoid compromising client service or supplier relationships.

Adapting to changing market dynamics

From a product perspective, demand for IT infrastructure and end-user computing remained relatively firm across the private sector. Solar and backup power volumes softened compared to the prior year, in line with reduced load-shedding. However, we continue to see strong long-term relevance for our green energy offering, particularly in commercial and industrial applications, where performance, service and total cost of ownership remain differentiators.

We also took meaningful steps to position the Group for its next phase of growth by pursuing the following two investments:

- **Cyberantix (Pty) Ltd** - The acquisition of Cyberantix, a South African Security Operations Centre-as-a-Service company, significantly expands our cybersecurity capability. As threat landscapes evolve and clients seek integrated digital solutions, this investment allows us to offer proactive, locally managed security support, backed by global expertise and driven by an experienced, high-performance team.
- **Business AI (Pty) Ltd** - Effective 01 August 2025, Mustek acquired a 51% equity interest in a newly incorporated entity, Business AI (Pty) Limited. Business AI is developing a dedicated B2B marketplace portal for artificial intelligence, providing enterprises with a single, trusted environment to access vetted AI vendors, products, platforms, solution providers and data centres. This accredited portal model ensures that businesses can adopt AI with confidence, knowing that each listing has been reviewed for quality, relevance, and security before becoming accessible. The company's positioning as a marketplace operator and adoption partner is unique in the African market and has strong relevance in international territories. By bringing structure and trust to the rapidly expanding AI landscape, this unique model also levels the playing field - giving smaller, innovative organisations access to larger markets, while enabling enterprises to connect with new ideas and cutting-edge solutions. Business AI is well placed to capitalise on enterprise demand for practical, accredited solutions. This investment extends Mustek's role in the AI value chain, enhancing its ability to deliver innovation, accessibility, and sustainable growth for its stakeholders.

Investing in people and purpose

Our people remain the foundation of our business. Their efforts in a demanding year have been noteworthy and I am deeply grateful for their commitment and resilience. Internally, we continued to support skills development, retention and employee wellness. Externally, we renewed our commitment to inclusive growth, digital equity and skills transformation, all of which are areas where Mustek is well placed to make a sustained impact.

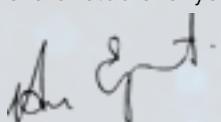
As digital access and participation becomes an increasingly vital requirement for economic inclusion, we view our role as more than just a technology distributor; we are enablers of opportunity and development, especially for historically under-connected communities and emerging businesses.

A cautiously optimistic outlook

Looking ahead, the landscape will undoubtedly continue to shift. The formation of South Africa's GNU has introduced a new set of dynamics into the country's economy and, while the full transition to a functional and effective unified government will take time, there are early signs of greater urgency around infrastructure, education and digital transformation – all of which play to Mustek's strengths.

As such, we head into the new financial year with cautious optimism. The market remains complex, but the opportunities are real and potentially significant. With a sharpened cost base, a more focused portfolio and an active pipeline, Mustek is ready to execute and keep on delivering trusted technology for real-world impact.

Thank you to our board, employees, customers, partners and shareholders for your continued belief in what we do.



Hein Engelbrecht

Group Chief Executive Officer



STRATEGIC REVIEW



OUR TOP RISKS

At Mustek, we recognise that risk is part of doing business; but how we manage it defines our resilience and long-term value. Our risk management policy aims to support sustained stakeholder value while acknowledging that uncertainty is inevitable in a fast-changing world.

Our risk management approach

We don't aim to eliminate risk. Instead, we focus on identifying, assessing and managing risks within the Group's defined risk appetite - balancing caution with opportunity.

Risk management is embedded across our Group. It's a proactive, ongoing process that equips us to make informed decisions, manage uncertainty and strengthen our ability to respond to change. Our approach enables us to safeguard our operations, reputation and stakeholders while pursuing sustainable growth.

We align our practices with the King IV principles, ensuring risk awareness and accountability at every level, from the Board to individual employees. In addition to strategic, operational and financial risks, our framework includes ethical, social, governance and compliance-related risks that are supported by oversight from the Group Social and Ethics Committee.

We track, review and update risk action plans regularly, empowering employees to manage risk as part of their everyday responsibilities. This strengthens our overall risk culture and aligns with our commitment to strategic growth and long-term performance.

Roles and responsibilities

Board of directors

The Board is ultimately responsible for risk governance. It sets the Group's risk appetite, oversees key risks, and ensures that appropriate controls and responses are in place. The Group Audit and Risk Committee supports the Board by reviewing the effectiveness of the risk management framework and internal controls.

Group CEO and executive management

The Group CEO is accountable for implementing risk management practices. Executive management enables this by ensuring that risk identification, assessment and response are integrated across business units and functions. This ensures that risks are not only identified but actively addressed at the right levels.

Group governance, risk and compliance executive (Chief Risk Officer)

Our Chief Risk Officer oversees the design and implementation of the Group's risk management framework, promotes a risk-aware culture, and ensures consistent application of risk processes across the Mustek Group.

Business unit heads, managers and employees

Managers are responsible for identifying and managing risks in their respective areas. Employees are expected to apply the risk policy in their day-to-day activities, contribute to improvements and report emerging risks or changes in the risk environment.

Internal Audit

Our internal audit function provides independent assurance on the effectiveness of the Group's risk management and control environment. Internal audit findings contribute to continuous improvement and reinforce a culture of accountability.



OUR TOP RISKS

(CONTINUED)



The risk management process

Mustek's risk management framework, policy and strategy are reviewed annually by the Group Audit and Risk Committee. This ensures our risk practices remain relevant, effective and aligned to our evolving strategic objectives and operating environment.

Risk is managed as a continuous process across the Group, from identification through to response, monitoring and reporting. The process enables us to be proactive in dealing with uncertainty while maintaining agility and focus.



Group risk registers

The Group's Governance, Risk and Compliance Executive maintains and updates risk registers across all divisions. These registers are accessible to risk and action owners and are continuously updated to reflect internal developments and external conditions.

Risk reporting

Regular reporting to executive management and the Board ensures transparency, oversight and continuous improvement across the Group's risk landscape.

Key components of our risk management process include:

Risk identification

We systematically identify risks that could affect the achievement of our strategic goals – whether operational, financial, technological, regulatory or reputational.

Risk assessment

Identified risks are assessed based on their potential impact and likelihood. This helps prioritise risks and ensures focused mitigation where it matters most.

Risk response

We define clear actions to manage each material risk, assigning accountable risk and action owners. These responses may include avoiding, mitigating, transferring or accepting the risk.

Risk monitoring

Ongoing reviews are conducted to monitor how risks evolve, track progress on mitigation efforts, and surface any new or emerging risks as the business environment changes.

OUR TOP RISKS

(CONTINUED)

Risk management dashboard

The Mustek Group's risk profile remains stable, with all top 10 identified risks positioned within acceptable tolerance levels thanks to robust mitigation controls. Our updated risk registers are reviewed quarterly by the Board and executive team, and reflect a mix of operational, strategic, and financial risks - many of which are shaped by global market volatility, rapid technological change, and local economic pressures.

While cybercrime continues to rank as our highest residual risk, macro-economic instability, competitive disruption, and treasury management challenges are also key watchpoints. Talent retention and technology adoption have also been prioritised to protect long-term resilience.

Top 10 risks for FY25



These risks are monitored through a combination of early-warning indicators, stress-testing scenarios, and active intervention measures tailored to each business unit.



OUR TOP RISKS

(CONTINUED)

Detailed Risk Analysis and Mitigation Measures

Risk	2026 Context	Why it's a priority	How we are responding
1 Cybercrime (IT)	Cyberattacks have grown more sophisticated, with AI-powered phishing, credential harvesting, and deepfake scams increasingly targeting businesses and their partner networks. The focus has shifted from blanket attacks to precise, high-value breaches.	As the Group's digital ecosystem expands, so does its attack surface. A single breach could cause immediate financial loss, POPIA penalties, or long-term reputational harm.	We have strengthened perimeter and endpoint defences with independently monitored firewalls, tightened user access protocols, and encrypted all sensitive transmissions. Our Microsoft Secure Score is kept above industry norms through regular audits, while monitoring tools scan for threats before they materialise. Staff awareness training is ongoing, ensuring cyber vigilance is a constant discipline.
2 Macro-economic volatility (Strategic)	Despite some teething problems, South Africa's coalition-led government is stabilising the economy amid global inflationary pressures, volatile commodity markets and US tariffs which can result in slowing IT demand in certain segments.	Persistent uncertainty affects both our customers' buying power and our own cost base, from imported goods pricing to financing rates.	We are holding a steady course on working capital discipline, optimising stock and receivable levels and accelerating cost containment initiatives. Our governance structures remain proactive, enabling quick adjustments to strategy, while ongoing employee skills investment ensures we can respond to opportunities despite market headwinds.
3 Treasury management (Financial)	The Rand has experienced significant fluctuations against the US dollar, with sustained pressure from interest rates and changing global liquidity conditions. Banking facilities are tighter and more closely monitored by lenders.	Unmanaged volatility in currency or borrowing costs can erode margins and disrupt pricing stability.	Forward exchange contracts and other hedging tools are used to reduce exposure. Liquidity is tracked continuously, with regular solvency stress tests in place. We actively manage relationships with financiers to ensure covenant compliance and facility stability, while maintaining stock levels that balance operational readiness with financial prudence.
4 Rising competition (Strategic)	New international entrants with lean operating models are disrupting established IT channels, often using aggressive pricing and direct-to-market strategies.	In an industry already battling margin pressure, even small market share losses can have outsized impacts on profitability.	We are diversifying revenue streams through new products, acquisitions, and dealer network development. Market research is ongoing to identify emerging trends, while dealer engagement programmes keep our partners competitive and informed. Agility remains key and we are ready to pivot offerings quickly to meet evolving demand.
5 Stock theft (Operational)	Crime remains a significant operational threat to most businesses in South Africa, with high-value goods in transit being prime targets.	Beyond the direct financial loss, these incidents threaten staff safety and can disrupt delivery schedules, damaging customer trust.	Our security measures have been fortified both on-site and in transit, supported by specialist logistics security partners. Daily monitoring by facilities and security managers ensures vigilance, while route and transport risk assessments are routine. Insurance is also in place.

Risk	2026 Context	Why it's a priority	How we are responding
6 Sales fraud (Operational)	Fraudsters are increasingly sophisticated, using stolen identities, insider collusion, or compromised accounts to commit fraud.	Fraudulent transactions can result in unrecoverable losses, strained customer relationships, and reputational harm.	Automated dealer verification with built-in sales limits acts as our first line of defence. Direct communication between sales teams and customers is tightly controlled. Ethical conduct is reinforced through awareness training, conflict-of-interest checks, and polygraph testing where warranted. New accounts undergo strict credit vetting before activation.
7 Talent attraction and retention (Strategic)	South Africa's IT skills shortage is acute, with global competition for top talent adding further pressure.	The loss of skilled employees can slow innovation, disrupt operations, and undermine succession plans.	We run talent forums, classify key roles, and develop individual growth plans. Succession planning now covers all critical positions, backed by targeted training and cross-skilling. Performance is rewarded not only financially but also through recognition for innovation and value creation.
8 Technology adoption (Strategic)	The technology landscape is continually evolving including digital transformation and artificial intelligence initiatives.	Without full adoption and system optimisation, any new software / technology cannot deliver its intended efficiencies , data integrity benefits and realisation of value of the investments.	There is a group technology strategy in place. New requirements are scoped together with the risk assessments upfront to ensure relevance and alignment with the technology strategy. Internal teams are being upskilled to manage support and development, while security and data integrity controls are embedded in every module. Feedback loops with users drive continuous improvement and learning. There is training and cross collaboration within different teams. The strategies for technology and information security are reviewed and monitored by the IT Steering Committee for progress and effective implementation.
9 Business Continuity (Strategic)	Climate-related events, infrastructure failures, cyber incidents, and disruptions in connectivity services continue to pose real threats to operational continuity.	Any prolonged system outage , bad quality of connectivity service or supply chain disruption could delay service delivery and impact revenue negatively.	Disaster recovery plans for each branch are updated regularly and tested for readiness. Daily backups and remote server access for key personnel ensure we can resume operations quickly in the event of a disruption.
10 Regulatory non-compliance (Strategic)	The regulatory environment is evolving, with heightened scrutiny on data protection, labour practices, and corporate governance.	Failure to comply can result in penalties, litigation, and reputational damage that undermine stakeholder confidence.	Our Group legal register is reviewed and updated regularly, and compliance risks are assessed quarterly. Internal and external experts provide guidance on regulatory changes, while employees receive targeted compliance training. Risk reports are escalated to the Board to ensure governance oversight.



MATERIAL OPPORTUNITIES AND CONCERNS

Material matters are the issues that have the most significant potential to influence Mustek's ability to deliver sustainable value for its stakeholders. These matters are not static. Their nature and importance shift in response to market conditions, stakeholder expectations, and internal performance. While many of our core material matters remain consistent year-on-year, their context in 2025 is shaped by three forces:

Evolving market realities

– including South Africa's shifting political and economic climate, global technology trends, and rapid advances in areas like AI and cloud computing.

Stakeholder priorities

– from customers demanding more integrated solutions, to investors seeking resilience and ESG accountability, to employees expecting career growth and purpose.

Risk alignment

– with the top risks on our risk register providing a key lens through which to identify, monitor, and address the most pressing opportunities and concerns.

The material matters outlined below are therefore not only a reflection of the past year's priorities but also a forward-looking view of the forces that we believe will define our operating environment in the short, medium, and long term. They are integral to our strategic planning and form the backbone of our approach to growth, resilience and value creation.



Materiality determination process

Our process for determining material matters is embedded in the Group's governance and strategy cycle and follows these steps:

Identify potential material matters

- Continuous scanning of internal and external environments, including market trends, regulatory developments, competitive dynamics and emerging risks.
- Consideration is given to financial, operational, reputational, environmental, and social dimensions.
- Input gathered from Group risk registers, operational reports, stakeholder engagement feedback and industry research.

Engage stakeholders

- Structured engagement with key stakeholder groups, including customers, employees, suppliers, investors and community partners, to understand their most pressing concerns and expectations.

Integrate into strategy and reporting

- Material matters inform strategic planning, capital allocation and operational priorities.
- They are monitored and reported on throughout the year to track progress, assess changes in significance, and update mitigation or enhancement strategies as needed.

Assess impact and likelihood

- Each matter is assessed against two elements: 1) The potential impact on Mustek's ability to create value and; 2) The likelihood of it materialising in the short- to medium term.

Prioritise

- Matters are ranked according to their strategic significance and urgency.
- This ranking is reviewed by executive management and refined in consultation with the Board to ensure alignment with the Group's risk appetite and strategic objectives.



By following this process, we ensure our strategy and our reporting address the issues that matter most to those who influence - and are influenced by - Mustek's activities.

In 2025, our material matters did not change substantially from the previous year, but their context has evolved in ways that demand renewed strategic attention.

MATERIAL OPPORTUNITIES AND CONCERNS

(CONTINUED)

Opportunities

Opportunity	2025 context	Why it is material	Our response
Artificial Intelligence	AI is moving from experimentation to mainstream adoption, with enterprises embedding AI into core business processes for decision support, automation, and customer experience. Regulatory frameworks are also evolving, creating both opportunity and compliance obligations	AI has become a key differentiator in IT services, directly impacting competitiveness and customer expectations. Clients are seeking trusted partners to implement AI responsibly and integrate it with legacy systems. Efficiency gains and new business models driven by AI present a multi-billion-rand market.	Our investment in Business AI opens a trusted marketplace that connects enterprises with vetted AI solutions, expanding demand for the processing power, infrastructure, and devices that the Group is uniquely positioned to supply.
Expand self-service and digital solutions	Businesses and end-users are looking for faster, more autonomous ways to access and manage their IT needs - from online ordering to remote support.	Offering scalable, digital-first solutions can increase recurring revenue, improve customer retention, and reduce service costs.	We are integrating self-service portals into our product ecosystem, with backend automation to ensure orders, upgrades, and service requests are handled seamlessly.
Cybersecurity	The spike in sophisticated cyberattacks and the ongoing shift to hybrid work have accelerated demand for robust cloud and security solutions.	Customers now see cybersecurity as a critical business continuity issue, not a discretionary spend - creating strong long-term growth potential.	We're expanding our managed security and cloud services portfolio, with bundled offerings that combine protection, compliance, and scalability.
Cloud and software solutions	The shift to cloud-first strategies has accelerated, with hybrid and multi-cloud environments now the norm. Demand for migration, optimisation, and cloud-native application development continues to grow, especially in emerging markets. In addition, SaaS adoption, and platform-based ecosystems are reshaping IT procurement. Clients prefer modular, subscription-based solutions with strong integration capabilities.	Cloud and software solutions are central to digital transformation initiatives and are recurring revenue streams. Market competition is consolidating, with advantage going to providers who can deliver both infrastructure and value-added services.	We continue to deepen our partnerships and build our ecosystems to enhance our value-added services and solutions.
Drone technology	Drone adoption is accelerating beyond defence and recreation into sectors such as logistics, mining, agriculture, and infrastructure monitoring. Integration with AI and IoT expands the value proposition from hardware to intelligent, data-driven solutions.	Drones provide new revenue streams across multiple industries where efficiency and safety are critical.	We continue to work on expanding our drone products and solutions offerings.
Being an employer of choice	The IT skills shortage in South Africa is intensifying, with global players competing for the same talent pool.	Attracting and retaining skilled people is essential to deliver complex solutions and sustain growth.	We're enhancing our employee value proposition through market-aligned remuneration, career development pathways, and initiatives that foster a positive, innovative workplace culture.
Addressing the IT skills gap	The national shortage of IT skills is a brake on South Africa's digital economy.	Building skills pipelines not only supports national development goals but also ensures a sustainable talent base for Mustek.	Through MIE, we're broadening our training portfolio to include advanced certifications in Data centre management and operations, AI and cybersecurity, thereby aligning with the fastest-growing market needs.

Concerns

Issue	2025 context	Why it is material	Our response
Geopolitical tensions and supply chain vulnerability	Ongoing instability in regions critical to IT manufacturing, such as East Asia, continues to disrupt component supply and pricing.	Any sustained supply chain disruption can delay product availability and erode margins.	We maintain diversified sourcing strategies, buffer stock policies, and alternative supplier arrangements.
Safety and security risks	South Africa's high crime rates, particularly targeting goods in transit, remain a significant operational hazard.	These incidents have both financial and human safety implications, and they affect customer confidence.	We've strengthened logistics security partnerships and enhanced physical security protocols at facilities.
Underperforming assets	Market shifts and cost pressures can make certain assets less profitable over time.	These assets can drain resources that might be better deployed in growth areas.	We regularly review asset performance and consider divestment or restructuring where there is no clear path to profitability.
Interest rates and cost of capital	Interest rates remain high, keeping borrowing costs elevated and tightening liquidity.	Higher financing costs reduce profitability and limit investment capacity.	We focus on working capital improvements to reduce reliance on external financing.
Currency volatility	The rand continues to be sensitive to both domestic politics and global market movements.	With a significant share of inputs priced in US dollars, currency swings directly affect pricing and competitiveness.	Active currency hedging and disciplined pricing strategies are in place to manage exposure.
Global competition and vendor disruption on traditional models	Well-funded international entrants with disruptive models are challenging local market leaders.	Increased competition can drive price erosion and compress margins.	We are differentiating through value-added services, local market knowledge, and strategic acquisitions.



STRATEGY

Our strategy is designed to position Mustek as a resilient, agile leader in South Africa's IT industry while maintaining the financial strength to seize new opportunities. In 2025, our operating environment was defined by rapid technological change, intensifying competition, and shifting economic currents - both locally and globally. Against this backdrop, our strategic focus remained to build on our core strengths, adapt to market realities and invest in the capabilities that we believe will define tomorrow's winners in our industry. Practically, this means strengthening our subsidiaries and associate companies, accelerating innovation and ensuring we have the right people, systems, and resources to grow sustainably.

Our strategy is not developed in isolation. It is informed by our identified material opportunities and concerns, and the risks that could undermine our ability to deliver on our goals. In FY26, these include the urgent need for skilled IT talent, the growing importance of cybersecurity, the evolution of AI, the demand for more self-service and digital solutions, and the imperative to maintain strong financial discipline in a volatile macroeconomic climate.

Our strategic priorities

1.

Empowering subsidiaries and associates

Our Group's decentralised model allows each business unit to respond quickly to its market while drawing on Group-level resources and governance. Subsidiaries with autonomy and agility can innovate faster, serve customers better, and make more effective strategic decisions. Our focus is therefore to provide strategic oversight, performance monitoring, and capital support to enable each business to deliver against both its own objectives and the Group's vision.

2.

Driving sustainable growth organically and through acquisition

IT market growth in South Africa inconsistent, with high potential in areas like cloud, cybersecurity, and AI-enabled services, but slow or contracting segments elsewhere. In addition, in a high-interest-rate, cost-sensitive environment, overextension is a real risk. Achieving steady growth ensures we stay relevant, competitive and able to invest in the capabilities our customers need. Sustainable growth also builds stakeholder trust and preserves the capital strength needed to weather market shifts. We work to identify and pursue acquisitions that strengthen our portfolio, broaden revenue streams, and align with our core competencies, while continuing to innovate and expand organically. In our growth efforts, we apply rigorous financial discipline, continuously monitor risk, and prioritise investments with clear long-term value potential.

3.

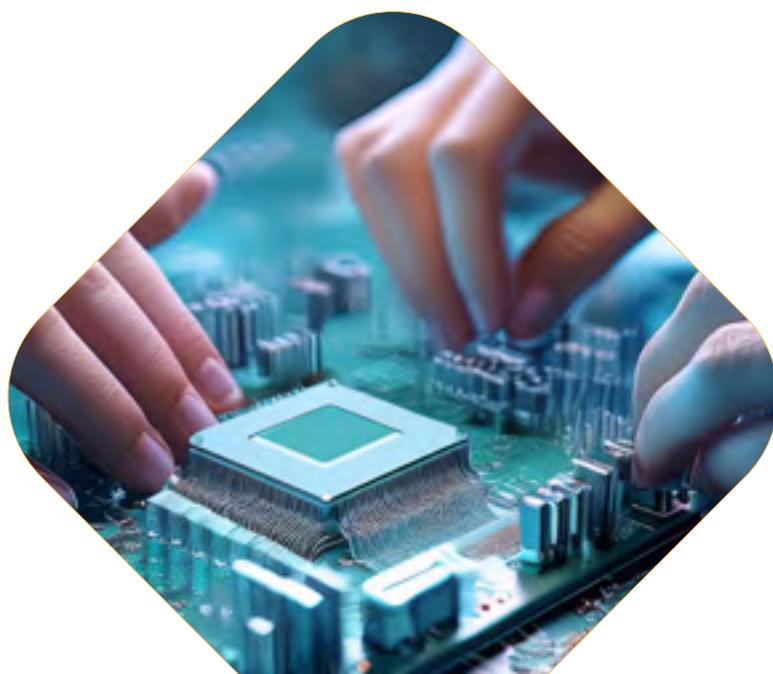
Leveraging collaboration across the Group

Customer needs increasingly require integrated solutions that cut across product, service and expertise boundaries. When our companies share knowledge, infrastructure and market access, we can deliver more complete and competitive solutions. To this end, we create structured opportunities for knowledge-sharing and cross-selling, and incentivise collaboration that delivers measurable customer and financial value.

4.

Upholding governance excellence

Regulatory requirements continue to tighten globally and locally, with rising expectations for transparency, ethics, and ESG performance. Ensuring strong governance is a non-negotiable to protect our reputation, reduce compliance risk, and underpin our sustainable growth. To achieve this, we maintain high standards of accountability, ethical conduct, and regulatory compliance across all Group entities.



Our strategy in action in 2025

Strategic objective	Measurement	Comment
Structural improvements in working capital and liquidity management	<ul style="list-style-type: none"> Achieve set targets Reduce receivables and inventory from June 2024 	<ul style="list-style-type: none"> Significant improvements were made on working capital in absolute terms. Year-on-year improvements included reductions in inventory by R602 million and trade receivables by R137 million. The above resulted in net borrowings reducing by R798 million and net-finance costs reducing by R67 million (32%) The result has been a measurable uplift in cash availability, greater financial flexibility, and a healthier liquidity position - laying the foundation for sustainable operations and future growth.
Disposing of non-strategic / non-performing assets	<ul style="list-style-type: none"> Dispose of the investment in Zaloserve Assess the viability of holding on to properties in the Group 	<ul style="list-style-type: none"> Successfully executed the disposal of Zaloserve (Sizwe IT Africa), which was not only underperforming but carried reputational risk for the Group. The Group was able to generate R15 million in proceeds. An assessment was done on the Group's properties. In the short term the decision is to re-finance the properties held in South Africa and dispose of the property held in East Africa. Refer to note 35 of the Annual Financial Statements
Acquisitions that align with Group strategy	<ul style="list-style-type: none"> Acquiring an investment to expand the Group's cybersecurity offerings 	<ul style="list-style-type: none"> The Group acquired Cyberantix (Pty) Ltd which is accretive both financially and strategically. This acquisition has opened new revenue streams, introduced complementary capabilities, and strengthened our competitive positioning

Strategic priorities for FY26 and beyond

Preserve and grow profitability from core IT distribution business

Maintain market share in core distribution channels while driving operational efficiency

Expand the Group's services segment to complement current Group offerings

Diversify revenue streams by scaling recurring and managed services

Optimise capital allocation across the Group

Improve Group-level return on equity and reduce underperforming assets

HOW WE SUSTAIN VALUE CREATION



SIX-YEAR FINANCIAL REVIEW

For the year ended 30 June 2025	2025 R000	2024 R000	2023 R000	2022 R000	2021 R000	2020 R000
SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME						
Revenue	7 183 089	8 449 292	10 126 197	8 909 567	7 992 306	6 397 419
Cost of sales	(6 225 210)	(7 417 165)	(8 713 918)	(7 636 886)	(6 804 339)	(5 487 275)
Gross profit	957 879	1 032 127	1 412 279	1 272 681	1 187 967	910 144
Operating expenses	(709 305)	(682 906)	(903 641)	(817 468)	(686 910)	(714 919)
EBITDA	248 575	349 221	508 638	455 213	501 057	195 225
Headline earnings	39 368	38 503	218 527	223 996	305 726	88 992
SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION						
Assets	4 036 925	4 888 758	5 723 381	5 010 486	3 627 062	3 627 154
Property, plant and equipment	229 804	247 775	258 978	191 991	200 899	187 939
Investment property	9 470	9 883	9 785	10 412	-	-
Right-of-use-assets	80 394	96 457	62 889	48 859	79 274	29 956
Intangible assets and goodwill	148 948	154 210	171 412	150 556	144 631	126 832
Investments and loans	105 301	94 548	129 899	145 763	202 559	195 858
Prepayments	-	-	-	21 228	-	-
Deferred tax assets	28 808	25 828	40 735	45 441	43 365	30 710
Current assets	3 434 200	4 245 057	5 049 683	4 396 236	2 956 334	3 055 859
Assets classified as held for sale	-	15 000	-	-	-	-
Equity and liabilities	4 036 925	4 888 758	5 723 381	5 010 486	3 627 062	3 627 154
Equity attributable to equity holders of the parent	1 553 429	1 516 314	1 567 597	1 413 063	1 350 406	1 118 659
Non-controlling interest	1 070	-	-	-	7 174	8 012
Borrowings and other liabilities	1 884	272	34 010	48 026	43 479	42 264
Non-current lease liabilities	63 957	79 191	38 230	29 307	58 823	10 139
Deferred tax liabilities	4 419	3 760	5 609	4 743	2 642	6 213
Non-current contract liabilities	16 853	23 201	22 765	24 101	23 014	17 686
Current liabilities	2 395 313	3 266 020	4 055 170	3 491 246	2 141 524	2 424 181

RATIOS

	2025	2024	2023	2022	2021	2020
KEY BALANCE SHEET FIGURES						
Total assets (Rooo)	4 036 925	4 888 758	5 723 381	5 010 486	3 627 062	3 627 154
Ordinary shareholders' equity (Rooo)	1 553 429	1 516 317	1 567 597	1 413 063	1 350 406	1 118 659
Return on ordinary shareholders' equity	2,6%	1.4%	14.7%	15.9%	23.8%	8.0%
Net asset value per share (cents)	2 869	2 801	2 724	2 395	2 046	1 598
MARKET INFORMATION AT 30 JUNE						
Ordinary shares in issue	57 540 000	57 540 000	57 540 000	59 000 000	66 000 000	70 000 000
Ordinary shares outstanding (excl treasury shares)	54 131 857	54 131 857				
Weighted average number of ordinary shares	54 131 857	57 353 763	58 245 548	62 676 789	69 197 929	70 000 000
Headline earnings per share (cents)	72.73	67.1	375.2	357.4	441.8	127.1
Market price per share (cents)						
- year-end	1 410	978	1 672	1 639	1 070	704
- highest	1 700	1 747	1 775	1 725	1 095	934
- lowest	950	825	1 345	1 028	491	411
Number of transactions	9 377	12 018	4 329	9 885	4 167	2 121
Number of shares traded	46 593 305	21 202 855	18 387 235	32 597 630	30 456 648	13 860 073
Value of shares traded (R)	557 844 543	244 253 997	289 676 778	444 644 994	259 664 337	94 602 044
Percentage of issued shares traded	81%	37%	32%	52%	44%	20%
LIQUIDITY AND LEVERAGE						
Interest cover (times)	1,8	1.7	3.4	6.5	7.4	2.5
Net cash from operating activities (Rooo)	529 667	(203 453)	(45 815)	71 817	220 762	339 520
Current ratio (times)	1,5	1.3	1.2	1.3	1.4	1.3
PROFITABILITY						
EBITDA margin	3.5%	4.1%	5.0%	5.1%	6.5%	3.9%



2025 PERFORMANCE REVIEWS



Mustek Operations

Overview

Mustek Operations, founded on the Mecer brand, is a prominent player in South Africa's IT sector with an extensive and versatile IT assembly line and a top-tier service department. Leveraging international brands, the company offers a wide range of IT solutions to diverse end users through its distributed sales network of over 3 600 resellers. Its agile management and deep industry knowledge foster strategic partnerships and quick responses to IT trends, supporting sustained business operations and growth.



NUMBER OF EMPLOYEES:

619

(FY24: 731)



B-BBEE SCORE:

Level 1

(FY24: Level 1)

Performance

Economic

Gross profit margins came under pressure due to inventory write-downs in the sustainable energy portfolio and the constrained operating environment. Customers took longer to settle accounts, leading to project delays, revenue losses, and increased debtors days. On the positive side, significant progress was made in clearing aged stock and reducing inventory levels, strengthening working capital.

REVENUE:

R4.9 billion

(FY24: R5.8 billion)

PBT:

R17.2 million

(FY24: R76 million)

NPAT:

R22.9 million

(FY24: R66 million)

Environmental

Emissions:

SCOPE 1:

349 tCO₂e

(FY24: 326 tonnes CO₂e)

SCOPE 2:

1 977 tCO₂e

(FY24: 1 853 tonnes CO₂e)

SCOPE 3: NOT REPORTED

WASTE RECYCLED:

120 tonnes

(FY24: 137 tonnes)

At our Gqeberha branch, rainwater harvesting systems continue to provide an alternative water source, while groundwater filtration systems at the Midrand branch reduce reliance on municipal supply and ensure business continuity during water disruptions. Although accurate water usage data was not available for FY25, Mustek Operations remains committed to improving measurement systems for more detailed reporting in future periods.

Mustek Operations remains fully compliant with the South African government's Extended Producer Responsibility (EPR) regulations, continuing to submit all required data on electronic equipment, packaging, and battery weights while paying fees in line with regulatory requirements.

Leadership

- **Neels Coetze,**
Managing Director
- **Olga-Lee Levey,**
Chief Financial Officer
- **Michael Kan,**
Product Executive
- **Pascal Macheru,**
Key Accounts Executive
- **Alton Calvin,**
Channel Sales Executive
- **Dimitri Tserpes,**
Chief Technology Officer
- **Ernest Walker,**
Divisional Executive: Western Cape
- **Vishal Chunilal,**
Divisional Executive: KwaZulu-Natal
- **Charles Carlson,**
Chief Operating Officer
- **Nicole Orr,**
Marketing Executive
- **Juan Paul Gough,**
Software, Cloud and Solutions
Executive

Looking Forward

In FY26, Mustek Operations will continue prioritising working capital improvements, deepen its understanding of customer needs, and reduce exposure to the sustainability sector while rolling out a nationwide e-commerce platform. Over the medium term, the company will focus on growing revenue from its infrastructure product portfolio, expanding the Mecer portfolio, and further developing its e-commerce offering to reach a wider customer base.

2025 PERFORMANCE REVIEWS

(CONTINUED)



PURSUING EXCELLENCE

Rectron

Overview

Rectron is one of Southern Africa's leading information and communication technology (IT) distributors, fulfilling a broad range of consumer and commercial technological needs. A 100% South African operator, it has been procuring and selling products, software, and solutions to the IT Channel in sub-Saharan Africa since 1995. Today, Rectron sits at the forefront of enabling society's adoption of intelligent applications, as well as equipping the economy's transition into a more sustainable one through technology. With a strong focus on the channel, Rectron's core customer base includes a broad IT reseller base, system integrators, value-added resellers, mass retail groups, independent storeowners, e-commerce stores, telecommunication businesses and ISPs across Southern Africa. Through decades of experience, Rectron has developed a solid understanding of market challenges and customer requirements and is constantly expanding its products and services in line with shifting needs and trends, helping its partners to grow, thrive and succeed.



NUMBER OF PERMANENT EMPLOYEES:

354

(FY24: 392)



B-BBEE SCORE:

Level 1

(FY24: Level 2)

– measured as part of the Mustek Group

Performance

Economic

In a year marked by muted economic growth, reduced consumer spend, and a slowdown in the traditional PC business, Rectron's continued investment into solutions-based offerings and specialised verticals helped offset some of the pressure. Growth in infrastructure and B2B businesses stood out as a key highlight, while volatility in the broader economy and the decline in legacy product categories remained challenges.

REVENUE:

R2.3 billion

(FY24: R2.8 billion)

PBT:

R10.2 million

(FY24: R10.5 million)

NPAT:

R6.3 million

(FY24: R8.8 million)

Rectron's short-to medium-term goal is to continue its transformation from a traditional IT distributor into a solutions-based IT supplier, enabling partners to tap into high-potential sectors such as SMBs, where adaptability and speed to market are key advantages.

Environmental

Emissions:

SCOPE 1:

153 tCO₂e

(FY24: 168 tonnes CO₂e)

SCOPE 2:

394 tCO₂e

(FY24: 785 tonnes CO₂e)

SCOPE 3:

9.377

tonnes CO₂e (waste)

Key environmental sustainability measures in FY25 included the continued rollout of solar power, which has saved 175.71 tonnes CO₂e over FY24–FY25, upgrading waste sorting facilities, and sending regular environmental awareness mailers to staff. Rectron also focused on reducing water usage (1.15 megalitres in FY25) through leak checks, replacing gardens with succulents, and awareness programmes. Waste reduction efforts included reusing shipping boxes to cut consumption of new packaging.

Rectron remains fully compliant with the South African government's Extended Producer Responsibility (EPR) regulations, continuing to submit all required data on electronic equipment, packaging, and battery weights while paying fees in line with regulatory requirements.

Leadership

- **Spencer Chen,**
Chief Executive Officer
- **Christiaan Engelbrecht,**
Chief Financial Officer
- **Martin Roets,**
Chief Operations Officer
- **Kutlwano Rawana,**
Chief of People



Looking forward

Rectron's strategy centres on continuing its transformation from a traditional IT distribution model to a solutions-based IT supplier. In the short to medium term, the business will intensify its focus on specialised verticals and solution enablement, underpinned by in-depth market research, economic trend analysis, and ongoing staff development. This will position the company to help its reseller partners tap into high-potential market segments such as SMBs. Over the longer term, Rectron aims to solidify its position

2025 PERFORMANCE REVIEWS

(CONTINUED)

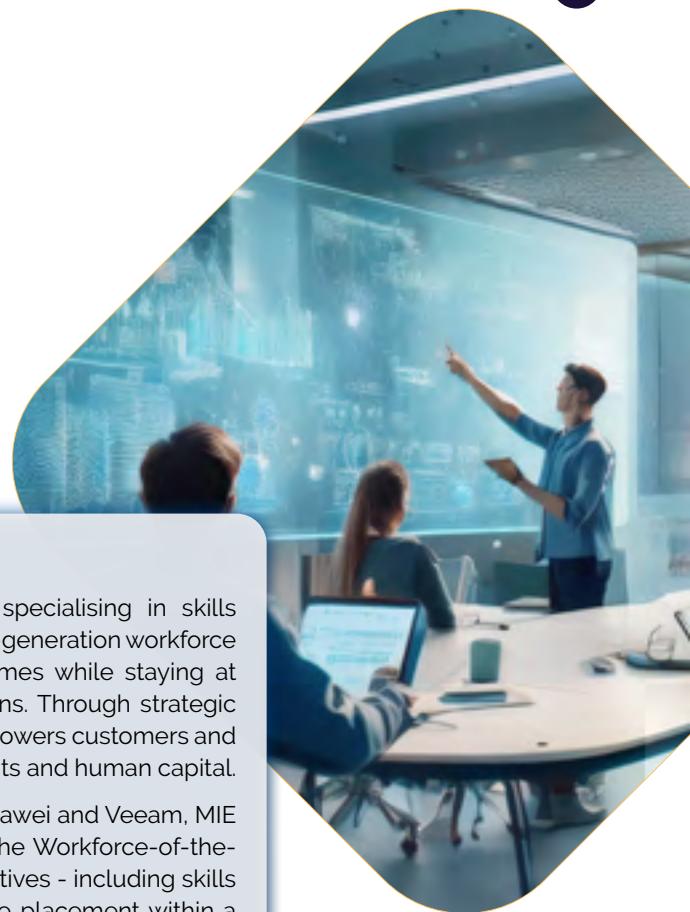


Mecer Inter-Ed

Overview

Mecer Inter-Ed (MIE) is a leading skills development provider specialising in skills enablement solutions in the IT sector. Its mission is to enable the next-generation workforce to drive organisational efficiency and measurable business outcomes while staying at the forefront of vendor-authorised training and certification solutions. Through strategic partnerships with government, industry and global vendors, MIE empowers customers and the country to unlock the full potential of their technology investments and human capital.

In collaboration with technology leaders such as Microsoft, AWS, Huawei and Veeam, MIE delivers hundreds of vendor-authorised short courses each year. The Workforce-of-the-Future division focuses on SETA-accredited skills development initiatives - including skills programmes, learnerships, and internships - and supports graduate placement within a loyal network of clients and host employers. MIE is also one of the largest certified Pearson VUE testing centres on the continent, facilitating international certification exams.



NUMBER OF EMPLOYEES:

70

(FY24: 74)



B-BBEE SCORE:

Level 1

(FY24: Level 1)

- measured as part of the Mustek Group

Performance

Highlights:

18 978

STUDENTS COMPLETED COURSES

(FY24: 15 190)

1 522

COURSES DELIVERED

(FY24: 1 238)

- Awarded Huawei Authorised Learning Partner of the Year 2025
- Awarded Africa's only Gold Tier Check Point Authorised Training Centre status
- Received Education Partner of the Year recognition from IAMCP for youth upliftment and placement initiatives
- Increased market share in four of five main offerings

Economic

Despite a challenging operating environment, MIE achieved modest double-digit revenue growth and more than doubled PBT, driven by efficient course scheduling, higher instructor productivity, and continued process automation. Fixed overhead costs were reduced while record numbers of students graduated from MIE programmes.

REVENUE:

R94 million

(FY24: R85 million)

PBT:

R24.2million

(FY24: R11.7 million)

NPAT:

R17.6million

(FY24: R9.3 million)

Environmental

MIE does not record separate GHG emissions, water use, or waste figures, but participates in Mustek Group's environmental initiatives aimed at sustainability.

Leadership

- **Sean Evans,**
Managing Director

Looking Forward

Mecer Inter-Ed's immediate focus is on strengthening customer satisfaction and loyalty by consistently exceeding expectations and maintaining market share in a competitive environment. The company is committed to preserving and nurturing scarce resources in preparation for renewed economic growth. Over the medium term, MIE plans to leverage its relationships with public sector entities, NGOs, and private sector CSI funders to expand training volumes once hiring activity increases. In the long run, the business aims to innovate in training delivery, introducing new modalities and service models to meet evolving customer needs, reducing service delivery times by 20%, and launching an e-commerce platform to make its offerings more accessible.



2025 PERFORMANCE REVIEWS

(CONTINUED)



Cyberantix

Overview

Cyberantix is a proudly South African Level 2 B-BBEE Managed Security Services Provider (MSSP) and EME organisation delivering premium cybersecurity solutions through its advanced, automation-driven Security Operations Centre (SOC). The company's skilled team brings expertise in threat detection, incident response, forensics, penetration testing, and security training. Its services - including Security Operations, Incident Response (Levels 1 & 2), Proactive Threat Detection, Security Engineering, and Lifecycle Consulting - are tailored to SMEs, mid-corporates, government and enterprise clients. Flexible Service Level Agreements and scalable, modular solutions ensure these offerings evolve with each client's needs.



NUMBER OF EMPLOYEES:

33



B-BBEE SCORE:

Level 2

Performance

Economic

Cyberantix delivered strong growth in its first year as part of the Mustek Group. Revenue rose 14% to R35.59 million, significantly ahead of the budgeted R21.2 million. This growth was driven by the onboarding of several large new clients and contracts aligned to the company's strategic expansion plan. NPAT of R4.06 million remained in line with the FY24 figure and exceeded the budgeted R3.18 million. Margins were affected by planned investments in infrastructure, office expansion, and additional resources to support future growth.

REVENUE:

R35.6 million

NPAT:

R4.1 million

Environmental

Cyberantix implemented a power-saving initiative in FY25, introducing a timed main switch to prevent unnecessary lighting and appliance use after hours. Alternative energy solutions, including inverters, were installed to reduce diesel generator reliance.

Emissions:

SCOPE 1:

5 - 10 tCO₂e

SCOPE 2:

150 tCO₂e

SCOPE 3:

40 tCO₂e

WATER USAGE:

1.03 megalitres

WASTE GENERATED:

0.93 tonnes

Leadership

- **Morné Terblanche**, Managing Director
- **Dr. Pierre Jacobs**, Head of Consulting
- **Rudi de Villiers**, SOC Manager

Looking Forward

Cyberantix has set ambitious growth targets for FY26. The strategy includes acquiring at least one enterprise-sized client and expanding the intermediate client base to 10 - 15 active accounts, while maintaining client attrition below 5%. Internally, the company is targeting staff turnover of under 10% to ensure continuity and retain expertise. Operational priorities include enhancing service scalability, expanding its SOC capabilities, and deepening its market penetration across both public and private sectors. Sustainability efforts will continue, with further optimisation of energy usage and reduction of generator reliance.



PERFORMANCE REVIEWS OF ASSOCIATE ENTITIES



CPS Technologies

Overview

The Mustek Group holds a 40% shareholding in CPS Technologies, a leading manufacturer and supplier of high-quality server cabinets and related solutions. The product range includes server cabinets, tablet charging trolleys, and outdoor enclosures with integrated air conditioning. CPS serves both domestic and export markets through a strong network of distribution partners, with a focus on innovative product development and sustainable manufacturing practices.



NUMBER OF EMPLOYEES:

64

(FY24: 61)



B-BBEE SCORE:

Level 4

(FY24: Level 4) – verification in progress

Performance

Economic

FY25 proved challenging for CPS, with revenue declining in a stagnant economic environment. For much of the year, sales performance hovered at 60% - 70% of expectations, impacting targets. Exports also slowed compared to the previous year. Despite this, the company remained profitable and continued to invest in product development, preparing to enter a new market segment within its area of expertise.

REVENUE*:

R40.0 million

(FY24: R63 million)

NPAT:

R4.8 million

(FY24: R10.2 million)

*Note: CPS's financial year end is 28 February

Environmental

CPS continues to ensure that all chemicals used in operations are environmentally safe and biodegradable. Its waste management strategy promotes the circular economy through the use of recyclable powder, and steel materials are recycled via reputable service providers. Water from chemical tanks is recycled by a specialist service provider.

Emissions:

SCOPE 1:

Not yet monitored

SCOPE 2:

Not yet monitored

SCOPE 3:

Not yet monitored

WATER USAGE:

2.008 megalitres

(FY24: 2.5498 megalitres)

WASTE GENERATED:

97.91 tonnes

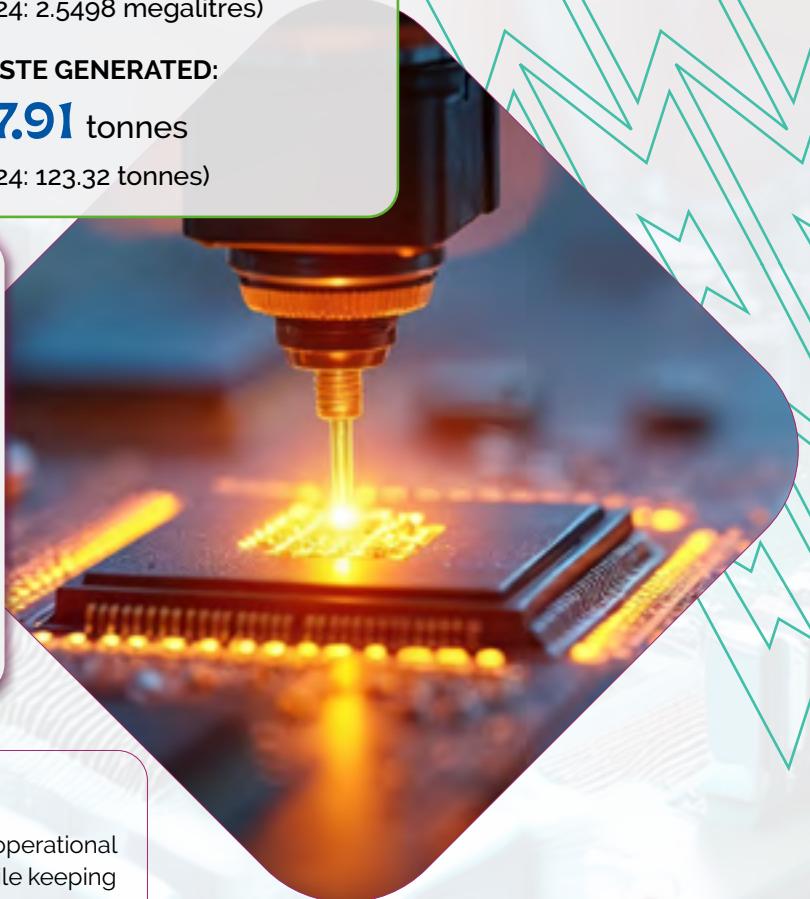
(FY24: 123.32 tonnes)

Leadership

- **Carlos Vizcarra,**
Chief Executive Officer and Managing Director
- **Reg Lane,**
Chief Operations Officer
- **Mark Lane,**
Design Manager
- **Kevin Lane,**
Marketing and Distribution Manager

Looking forward

In FY25, CPS has tightened budgets across all operational areas, eliminating unnecessary expenditure while keeping overheads stable. In the year ahead the focus will be on stabilising revenue and regaining momentum through the launch of a new product range designed to offer customers a complete, integrated solution. This is expected to create significant opportunities in both existing and new markets. Over the next 12 to 18 months, CPS aims to establish itself in a new location, further enhancing production capabilities and positioning the company for long-term growth.



PERFORMANCE REVIEWS OF ASSOCIATE ENTITIES (CONTINUED)



Khauleza IT Solutions

Overview

The Mustek Group holds a 36% shareholding in Khauleza – a national IT services company specialising in deployment, maintenance, and end-user equipment solutions, as well as managed print services, CCTV, Service Desk, and Desktop support. Khauleza is committed to continually enhancing and expanding its service offerings while optimising operational efficiency across existing solutions.



NUMBER OF EMPLOYEES:

36
(FY24: 38)



B-BBEE SCORE:

Level 1
qualifying small enterprise (QSE)
(unchanged from FY24)

Performance

Economic

FY25 marked a significant turnaround for Khauleza. Revenue rose to R35.2 million (FY24: R30 million), and the company moved from a net loss after tax of R4.2 million to a net profit after tax of R1.4 million. This improvement was mainly driven by:

- Increased project activity from a key client
- Strategic cost-cutting initiatives and tighter operational controls
- Streamlining of services, resulting in improved efficiency

These efforts have strengthened Khauleza's financial position and laid a solid foundation for sustained profitability.

Note: Khauleza's financial year ends on 28 February.



Environment**Emissions:****SCOPE 1:****75.54** tCO₂e(FY24: 76.02 tCO₂e)**SCOPE 2:****51** tCO₂e(FY24: 50.2 tCO₂e)**SCOPE 3:****75** tCO₂e(FY24: 74 tonnes CO₂e)**WATER USED:****275** megalitres

(FY24: 280 megalitres)

WASTE GENERATED:**5.1** tonnes

(FY24: 5.5 tonnes)

The company continues to explore opportunities to improve resource efficiency, reduce environmental impact, and enhance sustainability practices.

Leadership

- **Raymond Elias Risk,**
Chief Executive Officer
- **Julius Siyabonga Maclean,**
Director
- **Altus Stoop,**
General Manager

Looking forward

Khauleza enters FY26 with a clear focus on building on the progress achieved in FY25. The company aims to grow revenue by at least 5% year-on-year and increase net profit after tax by a similar margin, reinforcing the return to profitability. Continued vigilance over cost controls and process optimisation will underpin service delivery improvements, while efforts to diversify the client base will reduce dependency on key accounts. From a sustainability perspective, Khauleza intends to deepen its environmental and social governance practices, paying close attention to responsible resource use and employee well-being. The leadership team is confident that this combination of operational discipline, strategic diversification, and strengthened ESG focus will position the business for sustainable long-term growth in an increasingly competitive market.

PERFORMANCE REVIEWS OF ASSOCIATE ENTITIES (CONTINUED)



Yangtze Optics Africa Cable (YOA)

Overview

The Mustek Group holds a 25.1% shareholding in Yangtze Optics Africa Cable (YOA), an optical fibre cable manufacturer operating in the Dube Trade Port industrial development zone of KwaZulu-Natal. Established in 2016 through a partnership between Yangtze Optical Fibre and Cable Joint Stock Limited Company (YOFC) - the world's largest manufacturer and supplier of optical fibre and cable products - and the Mustek Group, YOA is positioned as one of Africa's leading fibre cable manufacturing facilities.

In 2024, YOA completed a R155 million investment in a new 28,000 m² production facility at Dube Trade Port Zone 2. The new plant, which houses eleven additional production lines, has increased annual production capacity from 1 million fibre kilometres (FKM) to 2.5 million FKM, positioning YOA for stronger revenue and profitability growth from 2025 onward.



NUMBER OF EMPLOYEES:

107
(FY24: 114)



B-BBEE SCORE:

Level 1
(FY24: Level 1)

Performance

Economic

YOA increased its market share in FY25, despite continued underinvestment in fibre infrastructure by large Fibre Network Owners (FNOs) in South Africa and neighbouring countries. Sales revenue declined by 4% year-on-year due to global and local oversupply driving price competition, but production output rose by 11% and sales volume by 8%.

The migration to the new facility was completed in October 2024, and operations have been running entirely from the upgraded premises since November 2024. In the first half of 2025, YOA achieved production output exceeding 1 million FKM (80% of new capacity) - a 110% increase compared to the same period in 2024. Half-year 2025 sales revenue reached R203 million, up 98% year-on-year.

REVENUE*:

R273 million
(FY24: R285 million)

NLAT:

-R3.8 million
(FY24 NPAT: R20 million)

Environmental

YOA's environmental initiatives in FY25 were focused on efficiency in the new facility. A closed-loop process water reticulation and storage system was introduced, expected to reduce municipal water consumption by one-third despite a 2.5x increase in production. The company also commissioned a bulk nitrogen generation plant, eliminating the need for bottled nitrogen gas deliveries, thereby reducing costs and carbon footprint. All cardboard is recycled, factory lighting is LED-based, and office lighting and air conditioning are controlled by motion sensors.

Emissions:

Not applicable per Legal Environmental Audit

WATER USAGE:

7.054 megalitres
(FY24: not reported separately)

WASTE GENERATED:

264.25 tonnes
(FY24: not reported separately)

Leadership

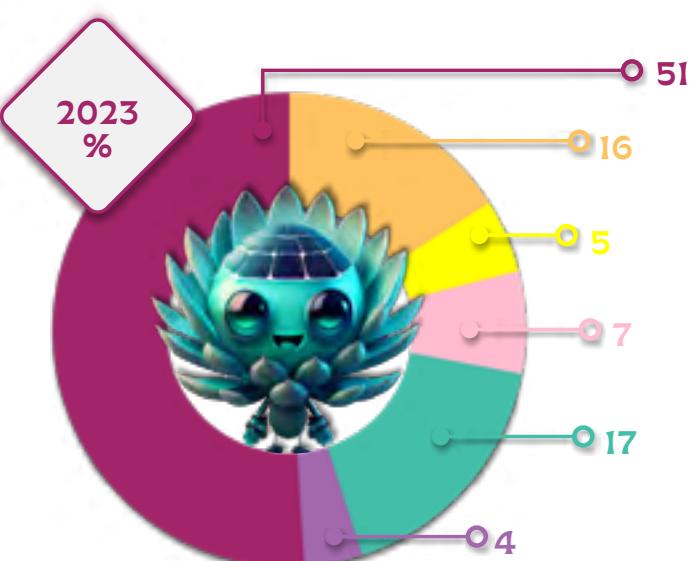
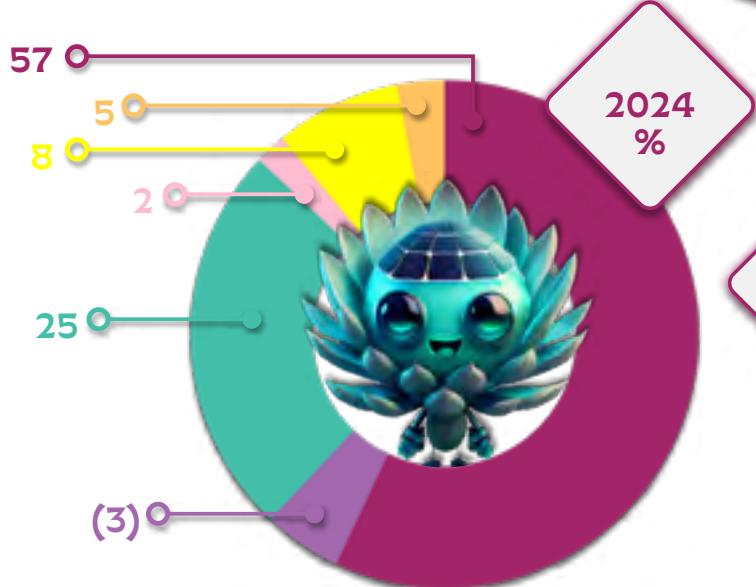
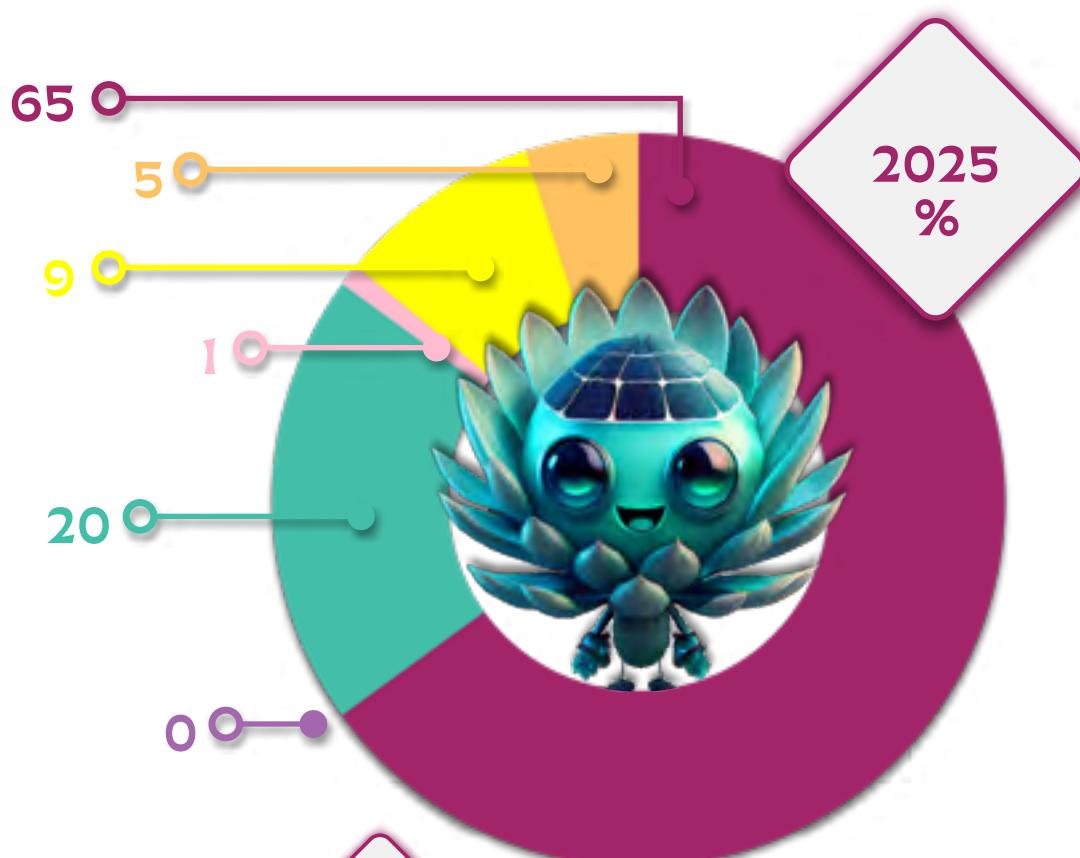
- **Pieter Viljoen,**
Chief Executive Officer
- **Siphiwe Meyiwa,**
Director: Operations
- **Silindile Gwambe,**
Director: Human Resources

Looking Forward

With the new Dube TradePort facility commissioned and fully operational, YOA enters FY26 with a focus on scaling production toward the expanded 2.5 million FKM annual capacity. Pricing pressure that weighed on 2024 is expected to stabilise through 2025, with potential upside in the fourth quarter, positioning revenue and profitability to improve as volumes ramp up.

Balance-sheet resilience is set to strengthen as well. YOA has repaid R45 million of the R90 million HSBC facility used for the factory build, which should reduce financing costs in the second half of 2025 and support full-year NPAT. Operational efficiency and resource stewardship are additional priorities. The new closed-loop process-water reticulation and storage system is designed to cut municipal water consumption by roughly one-third even as output grows, and the on-site nitrogen generation plant removes the cost and carbon of bottled-gas deliveries. These measures, alongside LED lighting and automated office controls, anchor a more efficient, lower-impact operating model while the business scales.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED



KEY



Employees
(including employee tax)



**Reinvested
in the Group**



**Depreciation
and amortisation**



Government
(direct taxes)



**Providers
of debt**



**Providers
of capital**



ECONOMIC: GROUP FINANCIAL DIRECTOR'S REPORT

The financial year unfolded against a backdrop of considerable complexity and pressure. While global demand for digital technologies remained robust, the South African operating environment was characterised by muted economic growth, elevated unemployment, structural changes within government, uncertainty around global tariffs, and persistent infrastructure constraints.

Within this challenging context, our focus remained firmly on financial discipline and resilience. The Group delivered a marked improvement in working capital efficiency, achieved a meaningful reduction in net finance costs, and generated stronger cash flows from operations. These outcomes are a direct result of our commitment to our strategic priorities and prudent capital management. Collectively, these efforts have strengthened the Group's statement of financial position, reduced financial risk, and enhanced our capacity to support sustainable growth going forward.

Highlights

Headline earnings per share
Up 8%
2025: 72.73 cents
2024: 67.13 cents

Revenue
Down 15%
2025: R7.2 billion
2024 (restated): R8.4 billion

Basic earnings per share
Up 92%
2025: 71.71 cents
2024: 37.31 cents

Gross profit margin
Up 1%
2025: 13%
2024 (restated): 12%

Dividend per share
Up 83%
2025: 13.75 cents
2024: 7.50 cents

Cash generated from operations
Up R626 million

Net asset value per share
Up 2%
2025: 2869.71 cents
2024: 2 801.15 cents



Revenue

Revenue declined by 15% to R7.18 billion (30 June 2024 (restated): R8.45 billion). The Group's distribution segment, made up of Mustek and Rectron, was affected by economic conditions, reduced consumer demand, public sector bottlenecks, ongoing slow demand for green energy products and a selective approach to pursuing deals consistent with the Group's risk and profitability criteria. The Group's IT training company, Mecer Inter-Ed (MIE) performed well with revenue growing by 11% to R94.1 million for the year ended 30 June 2025.

Gross Profit

The gross profit margin increased to 13.3% (2024 (restated): 12.2%), due to a more favourable product mix as well as improved margins and contributions from MIE. Mustek and Rectron's GP margin on traditional IT products improved year on year. The pull back on green energy products continued into the year ended 30 June 2025 and gross profit on green energy products reduced by approximately R112 million year on year.

Forex risk management

Although there were fluctuations in foreign exchange rates over the financial year, there were periods of relative stability. The Group recorded a lower foreign exchange profit of R10.0 million in the current year compared to the R32.2 million profit in the prior year.

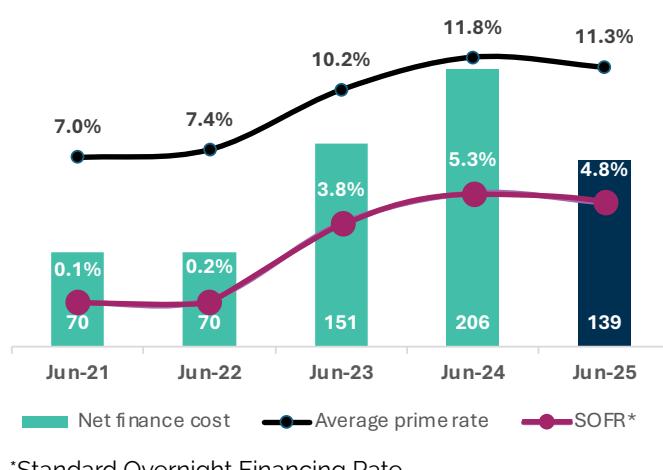
Operating costs

Improved budget management, cost reduction efforts and stricter discretionary spending resulted in operating costs remaining stable, despite inflation affecting prices in various categories.

ECONOMIC: FINANCIAL DIRECTOR'S REPORT (CONTINUED)

Finance costs

Finance costs have been a focus area for the past two financial years and remains a focus area for the next financial year. There has been a notable 32.7% decrease in net finance costs, now at R138.5 million compared to R205.7 million for 2024, reflecting significant financial discipline. Whilst the Group received some relief from ZAR and USD interest rate cuts from the second quarter of FY25, the reduction in net finance costs was mainly driven by reduced working capital as depicted in the graph below:



Associate performance

All three current associates traded profitably and are well placed to grow their contribution to the Group. Associates contributed a profit of R6.3 million compared to a loss of R19.4 million in the comparative period. The prior year losses were mainly due to the poor performance of Zaloserve. The Group disposed of its investment in Zaloserve during the period, which was disclosed as an asset-held-for-sale as at 30 June 2024.

Investment in subsidiary

Effective 12 September 2024 Mustek purchased a 70% equity-interest in Cyberantix Proprietary Limited for R8 million. Cyberantix is a SOCaas (Security Operations Centre-as-a-Service) company. It offers state-of-the-art implementation of managed cybersecurity services, focusing on managed detection and response with associated advanced services (proactive hunting, forensics code reviews and vulnerability assessments). Cyberantix has positively contributed to the Group's results for the year ended 30 June 2025.

Working capital

The Group reports a notable achievement: inventory and receivables have been reduced by approximately 19% since 30 June 2024 or a reduction of approximately R740 million. This substantial progress has greatly enhanced the Group's liquidity and overall financial position.

Inventory significantly decreased from R2.35 billion at 30 June 2024 to R1.75 billion at year end. Trade and other receivables also saw a positive decline from R1.57 billion at 30 June 2024 to R1.44 billion at year end. Debtors' days increased to 66 days, moving further from our target of 55 days, as customers continued to push for extended payment terms in response to challenging economic conditions.

Cash flow

Through disciplined and effective working capital management, R687.4 million in cash was generated from operations, a significant improvement compared to the R60.7 million recorded during the same period last year. The improvement of cash generation from operations over the past five years is depicted in the graph below:



The Group has sufficient banking facilities.



ECONOMIC: FINANCIAL DIRECTOR'S REPORT (CONTINUED)

Dividend

The declaration of cash dividends will continue to be considered by the board in conjunction with an evaluation of current and future funding requirements and opportunities to repurchase shares. It will be adjusted to levels considered appropriate at the time of declaration. To this end, the board has declared a final dividend of 13.75 cents (2024: 7.50 cents) per ordinary share for the financial year ended 30 June 2025.

Share repurchase programme

Mustek did not acquire any of its ordinary share capital in the financial year ended 30 June 2025.

Post-balance sheet events

The following events occurred after period end and up to the date of this report. All of these events are considered non-adjusting events:

1. Effective 01 August 2025, Mustek made an investment into a newly established company, Business AI (Pty) Limited, acquiring a 51% ownership. Business AI is developing a dedicated B2B marketplace portal for artificial intelligence, providing enterprises with a single, trusted environment to access vetted AI vendors, products, platforms, solution providers and data centers. This accredited portal model ensures that businesses can adopt AI with confidence, knowing that each listing has been reviewed for quality, relevance, and security before becoming accessible.
2. Post year-end the management committed to disposing of its Investment Property held in Kenya. The property is being actively marketed, and the property is now classified as held for sale. The property was transferred to held for sale on 24 July 2025 at its carrying value of approximately R9.5 million.
3. Effective 29 August 2025, Brotek (Pty) Ltd entered into a term loan facility with Nedbank. The value of the facility is R50 million and the term is five years. The interest rate applicable to the facility is JIBAR +2.51%. The facility is secured by properties with a carrying amount of R64.3 million.

Looking forward

Looking ahead, Mustek Group enters the new financial year with cautious optimism. The market is complex, but demand for AI-driven solutions, infrastructure upgrades, and cybersecurity presents real and significant growth opportunities. With a leaner cost base, a sharper product focus, and a strong pipeline, the Group is well positioned to continue delivering trusted technology that drives measurable impact.



Shabana Aboo Baker Ebrahim
Group Financial Director





SOCIAL COMMUNITY INVESTMENTS

Policy and Governance

Mustek's approach to corporate citizenship is guided by our Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR) policy, which incorporate Socio-Economic Development (SED) principles. This policy ensures that SED activities align with the B-BBEE Codes of Good Practice and sets a consistent framework for managing CSI, CSR, and SED initiatives across the Group.

For the purpose of this report, Mustek Group defines CSI, CSR and SED as follows:

- **Corporate Social Investment (CSI)** - Development-focused initiatives aimed at uplifting communities. These are not driven by marketing but by a commitment to social progress.
- **Corporate Social Responsibility (CSR)** - A broader approach that integrates economic, social, and environmental considerations into business operations for long-term sustainability.
- **Socio-Economic Development (SED)** - Initiatives, including financial and non-financial contributions, that support economic access and empowerment for qualifying entities.

Each operating company within the Group adapts the policy to its context while remaining aligned with Group-wide principles. The B-BBEE Committee serves as custodian of the policy and includes senior representatives from Mustek, Rectron, and MIE.

Supported by BEE consultants, the committee meets quarterly to review budgets, proposals, and initiatives. Committee members are responsible for submitting quarterly updates and reporting to the Group Social and Ethics Committee to ensure accountability and oversight.



FY25 Highlights

Social impact

During the year, Mustek made significant progress in advancing education, skills development, and community empowerment through a series of impactful social initiatives, including:

- **Digital learning** - Mustek donated a Technolab to Asser Maloka Secondary School in Duduza, supporting over 1 670 learners. The school's 100% physical science pass rate and multiple innovation awards underscore the value of this investment.
- **Career days** - Mustek successfully hosted career days at beneficiary schools to introduce learners to potential pathways in the organisation and the broader IT sector. These also inspire interest in career opportunities presented by the Fourth Industrial Revolution.
- **STEM education** - Kootnieman Primary, a long-standing beneficiary school, won a district-level robotics competition, highlighting the positive impact of our technology focused learning commitments.
- **Drone technology in agriculture** - Rectron supported the University of the Free State's Drone Pilot programme, which produced its first graduate, who is now contributing to the Paradys Profplaas agricultural project using a donated Agris drone.

COMMUNITY INVESTMENTS (CONTINUED)

Enterprise development

Mustek's enterprise development efforts focus on supporting SMMEs to build the next generation of employers in the IT sector. In FY25, we invested R2.9 million in community enterprise development, embedding Enterprise Development (ED) firmly within our broader B-BBEE strategy. Our model emphasises the provision of financial assistance, hardware and technical enablement programmes through Mecer Inter-ED - our IT training academy, which plays a central role in continuously upskilling both partners and professional communities:

One notable achievement came through the provision of an interest-free loan to an ED beneficiary, who has since secured a major government IT contract - demonstrating the long-term value of this model.

Economic contributions

Mustek's contribution to economic empowerment extends beyond direct investment to include:

- **Job creation** - Employing over 1 000 people directly and many more through our reseller network.
- **Supplier development** - Prioritising B-BBEE procurement from historically disadvantaged suppliers, strengthening the local supply chain.
- **Skills transfer and knowledge development** – Enhancing IT skills and professional expertise through partner and customer training delivered through Mecer Inter-ED to expand sector capacity.

Group-wide social investment spend in FY25

CORPORATE SOCIAL INVESTMENT & SOCIO-ECONOMIC DEVELOPMENT:

R978 000.

ENTERPRISE DEVELOPMENT:

R2.9 million

SUPPLIER DEVELOPMENT:

R2.4 million



Investing in society

Bridging the digital divide through the Progressive Educational Upliftment programme

In FY25, Rectron's flagship Progressive Educational Upliftment (PEU) programme made a significant leap forward in its mission to advance STEM education for under-resourced schools. A standout project was the establishment of the Rectron Technolab at Assar Moloka Secondary School in Duduza, east of Johannesburg. Officially handed over on 5 June 2025, the lab is equipped with 41 state-of-the-art compact computers, providing learners with hands-on experience in modern technology.

The initiative was implemented in partnership with the Gauteng Department of Education and attended by key stakeholders including Rectron's CEO, Spencer Chen, and Chief of People, Kutlwano Rawana. It directly addresses South Africa's low household computer ownership (22%) and internet access (10%), equipping learners with practical digital literacy skills.

Beyond infrastructure, the programme is designed to give students exposure to high-demand career paths in AI, big data, networks, and cybersecurity. The tangible impact at Assar Moloka Secondary is already visible, with the school's pass rate climbing from 84% in 2023 to 94% in 2024. The Technolab has created a more inclusive, engaging learning environment and is expected to benefit hundreds of learners each year.

This project builds on previous PEU initiatives in Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape and the Free State, reinforcing Rectron's long-term commitment to narrowing the digital skills gap and empowering the next generation to participate fully in the Fourth Industrial Revolution.



COMMUNITY INVESTMENTS (CONTINUED)

Skills development

Mustek Group's investment in skills development helps to address youth unemployment while advancing economic empowerment and industry growth. In FY25, we invested R12.5 million in external skills development, with programmes aimed at building a sustainable talent pipeline for the IT sector, enabling individuals to secure better employment opportunities, make progress in their careers, and improve their earning potential. Over time, these initiatives also strengthen local communities, promote inclusion, and support South Africa's broader transformation goals.

Key initiatives in the year under review included:

- **Drone Academy (Rectron)** - Training young talent in next-gen technologies.
- **Management & Development Programme (Mustek & Rectron)** - Building leadership and career growth capability.
- **Cybersecurity learnerships**
- **Graduate Programme**
- **Dependant bursaries for employees and CSI beneficiary schools**
- **Technical support learnerships**
- **Electrical learnerships**

Programmes are designed to strengthen the talent pipeline, increase employability, and promote long-term socioeconomic mobility.



Socio-Economic Development

In FY25, Mustek and its subsidiaries continued to support a range of Socioeconomic Development (SED) initiatives aligned with the Group's commitment to Broad-Based Black Economic Empowerment (B-BBEE). Contributions were directed primarily toward ICT-related programmes, including equipment grants, technology discounts, and other forms of financial assistance to educational institutions and community organisations.

Key activities during the year included:

- Equipment grants provided to schools and welfare organisations to enhance digital access and learning capabilities.
- Discounted ICT equipment supplied to multiple beneficiaries, supporting technology adoption at significantly reduced costs.
- Contributions spanning across Rectron and Mustek business units, reflecting a Group-wide approach to socioeconomic development.

Across all initiatives, the Group invested a total of R978,000 during FY25. The focus remained on empowering communities through technology access and building capacity for long-term economic participation.



Investing in society

Java Programming Talent Development

MIE's signature CSI project in FY25 was its intensive Java programming course for unemployed youth, aimed at equipping them with scarce and globally sought-after skills. Over the five-month programme, participants received in-depth training, culminating in an international certification exam that opens the door to employment with leading service providers.

In FY25, the initiative trained 73 students across three cohorts, with 62 graduates securing employment as Java developers at prominent ICT service companies. This success builds on FY24's achievements (72 graduates, all placed in employment) and reflects MIE's strong network of employer partners, its vendor-accredited curriculum, and its commitment to youth employability.

The programme not only empowers individual learners but also addresses South Africa's skills shortage in the software development sector, enabling employers to access job-ready talent in a critical growth area of the economy.

OUR PEOPLE

Overview

People remain central to Mustek's resilience and growth. In FY25, we continued to focus on deepening our skills base, creating a more engaging and supportive workplace, and positioning the Group as an employer of choice in the highly competitive IT sector. With digital skills in short supply, we have kept on investing in strengthening our talent pipeline, while also enhancing the programmes that enable our employees to thrive - from wellness and recognition initiatives to leadership development and succession planning.

2025 people highlights

- Embedded **streamlined HR processes** into MIE and Cyberantix.
- **Updated Group remuneration policy** to align practices across Group entities.
- Completed **Group-level skills audits** to identify capability gaps and inform development plans.
- Centralised employer-branding activity - **sharing @careers** collaboration across Mustek, Rectron and MIE.
- Mustek Operations launched a management and supervisory **leadership development programme**
- **Streamlined onboarding and induction** for Mustek Operations and Rectron.
- **Communicated values relaunch** for Mustek Operations.
- Introduced **employee wellness activities** at MIE.
- Re-established MIE **Employment Equity forum**.
- Consolidated **succession planning** for Mustek Operations and Rectron.
- Completed **job evaluation/matching** for Mustek Operations, Rectron and MIE.

In FY25, the Group made meaningful progress across each of these areas. Talent acquisition and retention efforts were strengthened by improved recruitment processes, more rigorous workforce planning, and the continued use of bursaries, internships and learnerships to build a pipeline of future-fit skills. Learning and development gained further momentum through leadership development programmes (MDP and SDP) and enhanced evaluation of training outcomes via formative and summative assessments presented to the respective executive committees.

Employee engagement remained a priority, with findings and feedback informing initiatives to improve culture and collaboration. Transformation and diversity commitments were advanced through targeted recruitment, training,

Employer Branding

Competition for critical skills in the IT industry has intensified. To stand out, Mustek's employer branding communicates a clear employee value proposition built on career growth, development opportunities and an inclusive, performance-driven culture. It also strengthens Mustek's reputation as a leading South African technology employer.

HR Strategic Pillars

Mustek's people strategy continues to be anchored on six key HR strategic pillars. These provide a consistent framework to guide our approach to people management and development across the Group.

The six pillars are:



and succession planning initiatives designed to support employment equity. Reward and recognition continued to be refined, with the introduction of Extended EAP coverage (Kaelo MyHealth) for all Rectron employees and group-wide surveys to assess extending this benefit further. Finally, health, safety and wellbeing were supported through proactive wellness programmes, workplace safety initiatives, and an ongoing emphasis on compliance with legislative requirements.

Together, these six pillars provide a holistic and stable foundation for Mustek's HR function while ensuring adaptability to changing workforce needs.

OUR PEOPLE (CONTINUED)

Workforce composition

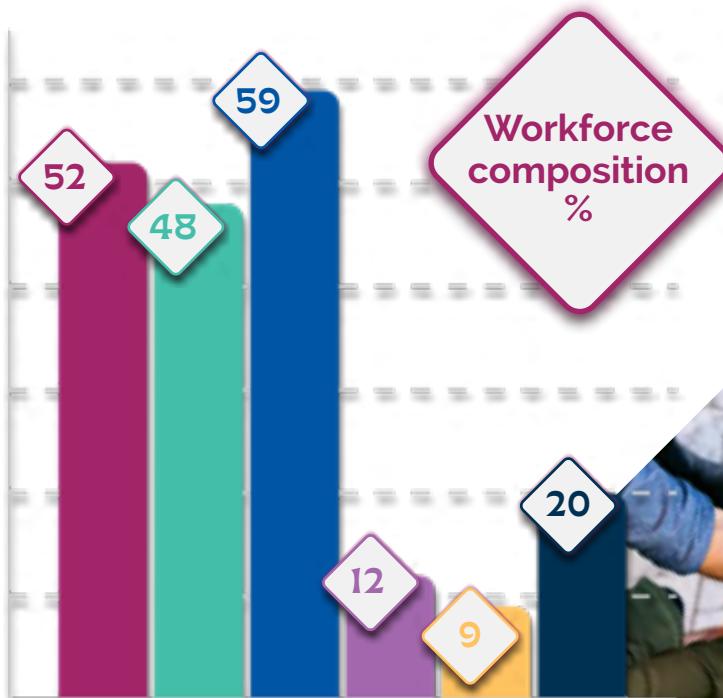
Mustek Group's workforce remains stable and equipped to support our operational and strategic objectives. Headcount is managed carefully, balancing the need for efficiency with the imperative to retain and grow critical skills. While some business units experienced marginal reductions in FY25 due to natural attrition and operational streamlining, the Group maintained its overall capacity and strengthened areas aligned to growth markets.

Permanent employment remains the dominant form of employment across the Group, providing stability and certainty for employees while ensuring retention of core skills. Fixed-term and short-term contracts are used selectively to meet project or seasonal needs. Workforce and demographic composition depicted below represents the main operating subsidiaries within the Group.

Total headcount [SA1]

	FY 25*	FY 24	FY 23
Total	1 112	1 335	1 232

*33 number of employees added for Cyberantix



Total headcount
[SA1]

1 335

1 112

1 232

2025

2024

2023

Workforce composition %

52

48

59

Workforce composition %

12

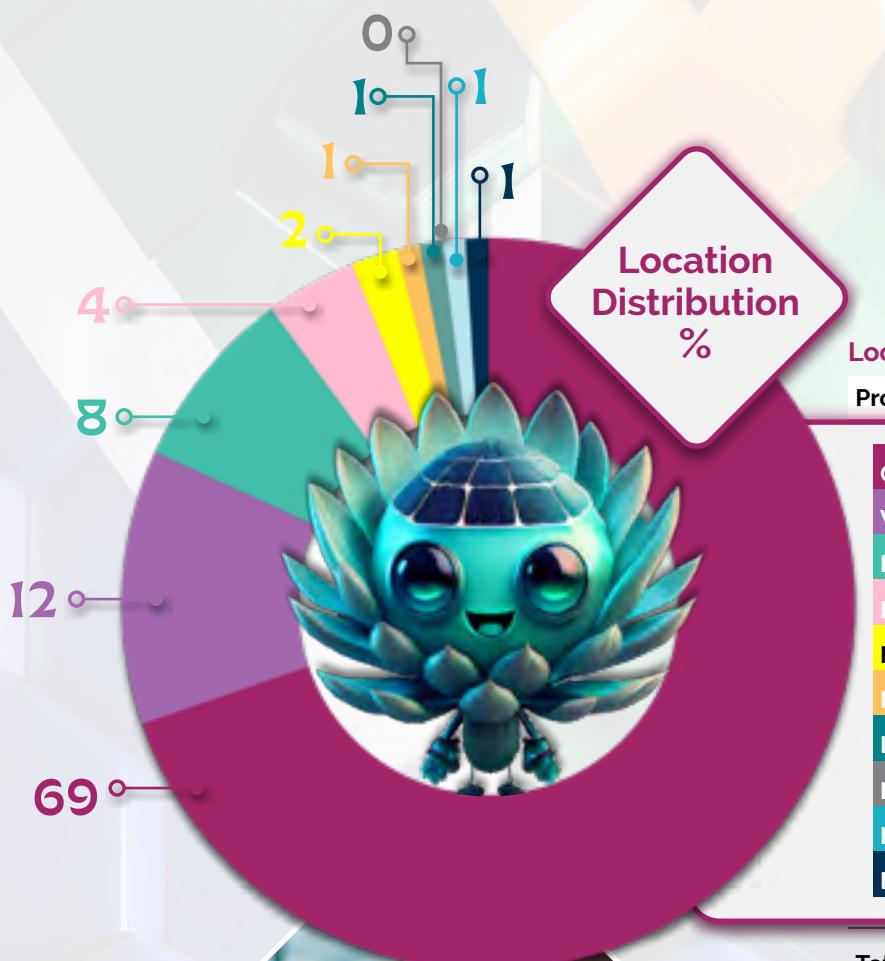
9

20

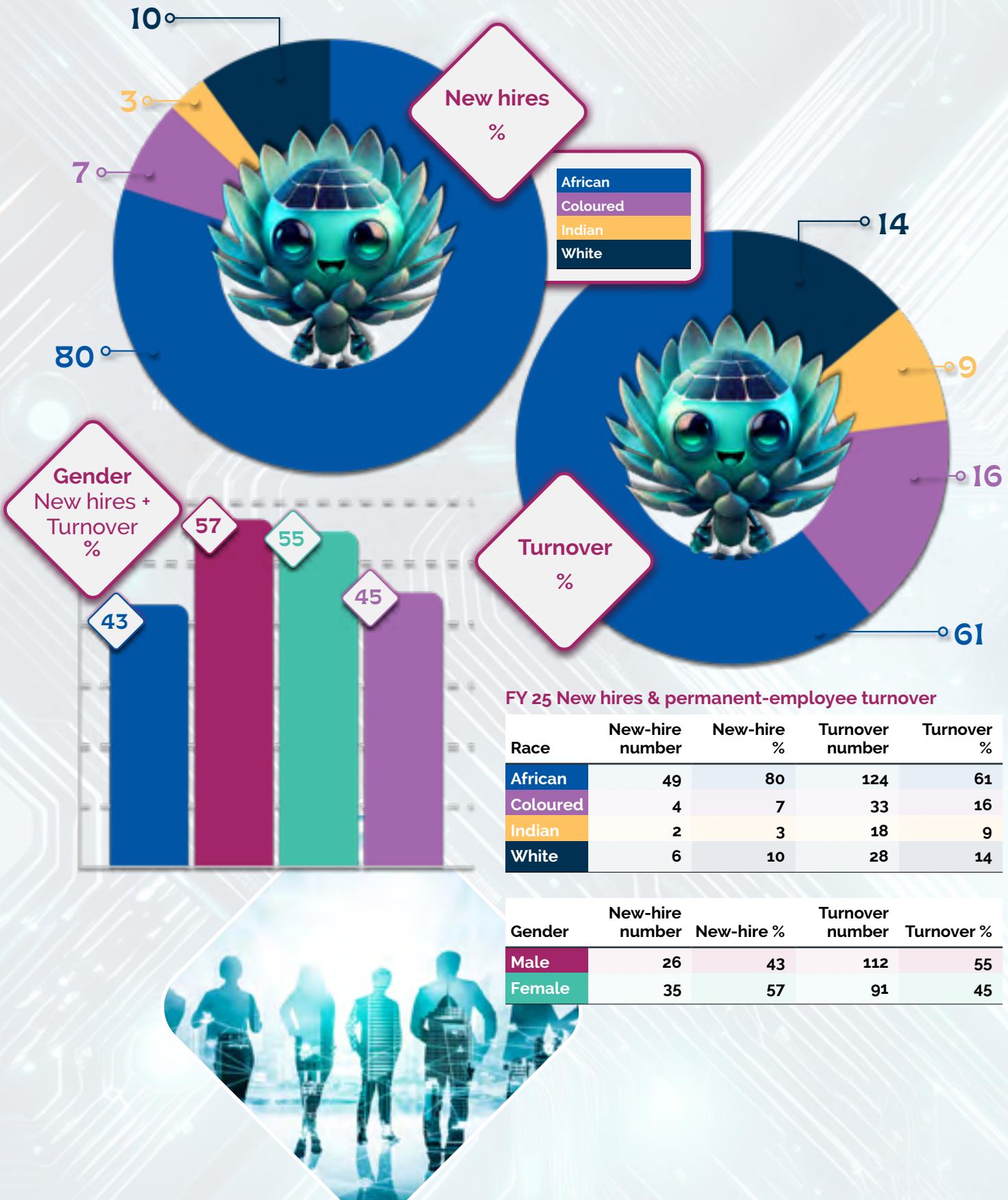
Workforce composition in FY25

Category	Male	Female	African	Coloured	Indian	White	Total
Permanent	543	508	616	125	100	210	1 051
Temporary	19	6	15	0	1	9	25
Total	562	514	631	125	101	219	1 076
%	52%	48%	59%	12%	9%	20%	100%

OUR PEOPLE (CONTINUED)



OUR PEOPLE (CONTINUED)



OUR PEOPLE (CONTINUED)

Diversity and inclusion

In FY25, Mustek sustained its commitment to reporting and compliance under the Employment Equity Act. Employment Equity (EE) Committees are in place across business units, meeting quarterly to review progress, monitor representation, and escalate barriers to transformation. Each committee comprises representatives of all occupational levels and employee demographic, ensuring balanced input and accountability.

The Group's consolidated EE plan continues to track against set numerical targets across occupational levels, with priority given to increasing African, Coloured, and Indian representation, particularly in top- and senior management roles. In FY25, representation of designated groups increased modestly at both professional and middle-management levels, showing measurable though uneven progress against long-term targets.

Demographics

Race	FY25%	FY24%	FY23%
African	59	57	57
Coloured	12	12	13
Indian	9	10	10
White	20	20	21
Gender	FY25%	FY24%	FY23%
Male	52	54	54
Female	48	46	46
Age	FY25%	FY24%	FY23%
Under 30	21	23	25
30 - 50	65	68	66
Over 50	14	10	9

Advancing representation

A diverse and inclusive workforce strengthens Mustek's ability to innovate, serve clients, and sustain growth. By ensuring that its people reflect the demographics of the South African market and by cultivating an environment where all employees can thrive, Mustek aligns its people practices with its broader transformation and growth strategy.

The Group continues to make progress on employment equity plans, with deliberate interventions to increase representation of historically disadvantaged South Africans, especially at management and leadership levels. While overall workforce demographics reflect a representative profile, the focus is on ensuring diversity in strategic decision-making roles where transformation has historically lagged.

Gender equity

Advancing gender diversity remains a strategic focus area. In FY25, women represented 48% of the total workforce (FY24: 46%), with incremental gains also recorded at supervisory and management levels. Mustek continues to support women in technical fields through bursaries, mentorship, and targeted training programmes. Initiatives such as the Cloud Administration, Electrical Engineering and Drone Academy learnerships - where women made up a growing share of participants - are evidence of this focus.

Disability inclusion

The Group remains committed to creating opportunities for persons with disabilities. In FY25, Mustek sustained employment levels of employees with declared disabilities and supported them with reasonable accommodation measures, including adaptive technologies and flexible working arrangements where feasible. Progress on increasing representation in this category remains a challenge given the small national pool of qualified candidates in IT-related roles. As part of its EE planning, Mustek continues to explore partnerships with organisations that prepare and support persons with disabilities for entry into the IT sector.



Investing in society

Thuto-Thebe Teacher Centre

Khauleza continued its long-standing partnership with the Thuto-Thebe Teacher Centre in Ga-Rankuwa, a vital training hub for local educators. In February 2025, Khauleza donated Mustek equipment worth R85 000 (FY24: R28 220) to support teacher training programmes, which can accommodate up to 30 participants at a time. This initiative continues to empower unemployed youth and strengthen community education.



OUR PEOPLE (CONTINUED)

Equity in skills development and progression

Beyond recruitment, Mustek places emphasis on creating equitable access to skills development, mentoring, and career growth opportunities. Bursary awards and internships are deliberately skewed towards candidates from designated groups, while internal learning and development programmes embed equity considerations in participant selection. This ensures that career progression pathways support transformation outcomes.

Employee engagement

Engaged employees are central to Mustek's performance and culture. FY25 saw the continuation of structured employee engagement initiatives, supported by formal and informal communication channels. Employee opinion surveys, focus groups, and engagement sessions provided insights into employee needs and expectations, enabling HR to adapt interventions in real time.

Engagement efforts also extended into wellbeing, career development, and diversity programmes, recognising that employee experience is shaped by more than day-to-day work. Feedback has been used to refine policies on flexible work arrangements, strengthen learning pathways, and improve performance management practices.



Engagement mechanisms

In FY25, Mustek deepened its engagement practices, building on the foundations set in prior years. People surveys, team connect engagements, and one-on-one performance dialogues remain central to gauging sentiment.

Managers at all levels are encouraged to hold more frequent team check-ins, which improved transparency and alignment across departments. These measures help ensure that employees have a say in shaping the workplace, while also reinforcing a sense of belonging and accountability.

Culture and employer brand

Mustek's culture is built around inclusivity, accountability, and innovation. In FY25, the Group invested in branding itself as an employer of choice by highlighting its people-centred initiatives, transformation journey, and career development opportunities on external platforms.

The alignment of organisational culture with Mustek's business strategy has been a key differentiator in attracting and retaining skilled talent in a competitive IT environment. Employees increasingly view the Group as a workplace where career growth is encouraged, performance is rewarded, and personal well-being is taken seriously.

Feedback and continuous improvement

One of the strengths of Mustek's approach is its willingness to act on feedback. In FY25, we continued to use feedback from surveys and exit interviews to inform HR strategy updates, workplace policy changes, and leadership development initiatives. Employees noted improvements in communication and responsiveness as a direct result of these efforts.



OUR PEOPLE (CONTINUED)

Employee turnover

Voluntary turnover remained within acceptable ranges in FY25, reflecting ongoing progress in employee engagement and retention initiatives. While turnover in scarce skill categories continues to present a challenge - consistent with broader industry trends - Mustek's strengthened employer branding and talent management strategies are helping mitigate these risks.

	Mustek Operations		Rectron		Mecer Inter-Ed	
	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
Employee turnover rate (%)	19.73	8.59	9.98	9.94	6.94	9.94
Absenteeism rate (%)	2.02	1.62	7.85	7.69	0.45	0.21
Lost working days (mainly sick leave)	3 559	3 021	1 570	1 559	85	49.5

Employee tenure

Another key indicator of employee engagement is tenure – happy employees remain at the company for longer and contribute institutional knowledge and experience that help to strengthen our culture.

	Mustek Operations		Rectron		Mecer Inter-Ed	
	FY 25	FY 24	FY 25	FY 24	FY 25	FY 24
< 1 year	2.42	10.75	3.9	10.71	12.86	15.63
1 – 3 years	32.79	41.06	21.46	27.80	58.57	65.63
4 – 5 years	18.09	8.52	17.79	8.92	24.29	18.75
6 – 10 years	17.93	17.04	14.12	14.54	4.29	–
10 – 15 years	11.63	8.10	12.42	11.47	–	–
15 – 20 years	6.30	6.01	19.49	18.11	–	–
< 21 years	10.82	8.52	10.73	8.41	–	–

Employee wellbeing

Mustek recognises that employee wellbeing is essential for sustaining performance and building a supportive workplace culture. In FY25, Mustek expanded access to healthcare support by introducing the Kaelo MyHealth Extended Employee Assistance Programme (EAP) for all Rectron employees. This provides basic medical and hospital cover, ensuring that more employees have access to essential healthcare services.

To evaluate the potential for rolling this benefit out across the wider Group, surveys are currently being conducted with employees at other Group entities. The feedback will inform decisions on extending coverage to additional subsidiaries, with the aim of ensuring consistent and equitable access to healthcare support across the Group.

These steps reflect Mustek's commitment to building a benefits offering that is both responsive to employee needs and scalable across the organisation.

Investing in society

Strengthening communities in KwaZulu-Natal

YOA continued to invest in the communities in which it operates. In FY25, the focus was on education, infrastructure support and disaster relief. Key support included:

- *Back-to-School Stationery Drive (R109 000)* – YOA provided school essentials to 58 learners in disadvantaged communities, ensuring they had the necessary materials to start the academic year.
- *Storage Containers for Mariannpark Primary School (R109 000)* – YOA donated and delivered storage containers to support the school's operational needs.
- *Tongaat Disaster Relief Programme (R25 000)* – Responding to local needs, YOA provided 100 blankets to residents affected by disaster in the Tongaat community in November 2024.



OUR PEOPLE (CONTINUED)

CCMA Cases

Mustek's labour relations approach is founded on fairness, transparency and constructive dialogue. This is reflected in the consistently low number of cases, across the Group, referred to the Commission for Conciliation, Mediation and Arbitration (CCMA). In FY25, only a limited number of disputes were raised, most of which were resolved swiftly at conciliation stage without escalation to arbitration or litigation.

The low incidence of CCMA cases is not coincidental. It is the result of clear HR policies, consistent application of disciplinary and grievance procedures, and strong line manager training. Employees are encouraged to raise concerns early, and matters are addressed through internal mechanisms before they require third-party intervention. HR also tracks dispute trends across business units to identify systemic issues and proactively address them.

This proactive and preventative approach has ensured stability across the Group's workforce. Importantly, it underscores Mustek's ongoing commitment to maintaining constructive labour relations and its reputation as a fair and responsible employer.

	Number of cases		Main issues raised
	FY 25	FY 24	
	7	15	Misconduct due to non-compliance with policies and procedures

Freedom of association

Mustek fully upholds employees' constitutional right to freedom of association, including the right to join and participate in trade unions and other representative bodies. In FY25, these rights were respected without exception, and relationships with trade unions continued to be constructive and solutions-oriented.

Engagement with unions during the year focused on resolving issues before they escalated. Regular consultative forums and transparent communication channels helped ensure that employee concerns were heard and addressed. The emphasis on dialogue has meant that disputes were limited and contained, contributing to the Group's stable labour environment.

While union membership within Mustek remains modest relative to the overall workforce, the Group's approach ensures that all employees feel their voices are represented. This culture of respect for employee rights is integral to Mustek's broader transformation and people agenda.

Benefits and remuneration

A competitive and fair remuneration structure is critical for retaining scarce skills in South Africa's IT industry. Mustek benchmarks its salary structures against industry standards, ensuring competitiveness while maintaining internal equity. The Group is committed to ensuring that Mustek's employee value proposition is both competitive and sustainable, balancing fair remuneration with meaningful benefits that support the wellbeing of our people and their families. In FY25, we continued to refine our Group-wide approach to rewards while introducing specific enhancements at subsidiary level.

Remuneration and governance

The Group remuneration policy was reviewed and updated during the year and formally approved by the Board. This revision ensures greater alignment across subsidiaries and consistency in how roles are evaluated, benchmarked, and rewarded. The job evaluation and matching process was finalised, reinforcing fairness and transparency in grading and remuneration structures.

Mustek Group Umbrella Pension Fund

Effective 1 March 2023, the Mustek Group Umbrella Pension Fund is no longer a stand-alone entity and is now administered by Discovery. Employees can choose contribution rates ranging from 20% to 100%, enabling flexibility to match individual financial planning needs. At year-end, the fund had 611 members, providing a critical foundation for long-term financial security.

Medical and employee support benefits

The Group remains focused on expanding access to affordable healthcare and wellness support. In FY25, Rectron introduced Extended Employee Assistance Programme (EAP) cover through Kaelo MyHealth, offering basic medical and hospital care. This initiative provides an additional safety net for employees without medical aid. To assess broader demand, employee surveys are underway across other Group entities, with a view to extending this benefit across the Group in future years.

Together, these developments reflect our determination to position Mustek as a fair, responsible and supportive employer, ensuring that benefits and remuneration remain aligned with both employee needs and business sustainability.

OUR PEOPLE (CONTINUED)

Workplace health and safety

Health and safety management remains a core operational priority across Mustek's offices, warehouses, and logistics environments. The Group operates under a robust health and safety framework, ensuring compliance with legislation while fostering a safety-first culture among employees. Mustek recognises that workplace health and safety underpins employee wellbeing, morale, and business continuity. By embedding a proactive safety culture, the Group safeguards its people and sustains its ability to serve customers reliably.

Mustek maintained a proactive approach to occupational health and safety in FY2025, with a strong focus on leading safety indicators and preventative measures. Across the Group, 153 first-aid cases were logged and a total of 1 444 safety-training hours were delivered, covering programmes such as First Aid (Levels 1 and 2), Basic Firefighting, Evacuation, SHE Representative training, Working at Heights (basic and rescue), Rope Access Rescue, and Confined Spaces. Certificates were issued for all completed training, ensuring that employees not only built competencies but also obtained formal recognition.

During the year, Mustek recorded incidents related to manual handling, and trips-and-falls, which were managed in accordance with the Group's incident management and root-cause analysis framework. Importantly, all cases were treated on-site with first aid, including the 14 lost-time injuries (LTI) recorded.

Corrective actions included refresher awareness sessions on safe stacking and manual handling practices, with lessons shared across operational sites to reinforce safe behaviours. Hazard identification and risk assessments were conducted across sites, while safety committees at all major branches remained active in monitoring risks and recommending improvements.

Contractor safety performance was also closely monitored, with two incidents recorded at Mustek Operations. These were reported both internally and to the contractors' employers to ensure accountability and corrective measures.

Looking ahead to FY 26, the Group will strengthen contractor onboarding and induction processes across all sites and improve safety compliance reporting through the implementation of a new system application at Mustek Operations. These initiatives are aimed at deepening the Group's safety culture, enhancing occupational health practices, and expanding psychosocial support for employees.

Employee health and safety

FY25 saw no major health or safety incidents across the Group. This reflects not only adherence to policies but also the effectiveness of preventative initiatives. Internal audits and inspections were used to identify and address potential risks before they became issues, while management maintained open channels for employees to report hazards. In FY25, the Group had 182 volunteers across its major subsidiaries.

The Total Recordable Injury-Frequency Rate (TRIFR) for the Group improved to 1.9 in FY25, down from 2.0 in the prior year, demonstrating progress in workplace safety. This improvement was supported by a reduction in injuries related to manual lifting, following the installation of additional lifting equipment in warehouses and the implementation of ongoing training interventions.

	2025	Rate	2024	Rate
Recordable work-related injuries	18	1.9	28	3
Work-related illnesses/health conditions	0	0	0	0

Recordable work-related injuries include medical-treatment cases resulting in lost time and exclude first-aid cases.

Learning & Development

Building a capable, future-ready workforce remains central to Mustek's strategy. Our training and development programmes are designed to enhance technical expertise, leadership capability, and soft skills, while equipping employees to thrive in a rapidly changing IT environment.

In FY25, the Group prioritised structured development pathways, including the Management Development Programme (MDP) and Supervisory Development Programme (SDP). These initiatives build leadership capability at different levels of the organisation and ensure a steady pipeline of talent to support business continuity.

Learning outcomes were assessed through a combination of formative and summative assessments to ensure that intended objectives were achieved. A summative component for the MDP and SDP programmes required learners to deliver a comprehensive presentation to the Executive Committee, reflecting on their learning journey and demonstrating how acquired knowledge had been applied in practice. These sessions provided concrete examples of improved role performance and created a feedback loop for quality assurance and continuous improvement of the programmes.

This structured evaluation process strengthened accountability for learning and helped Mustek quantify the real-world impact of training investments, ensuring that development initiatives translate into measurable improvements in employee effectiveness and organisational performance.



OUR PEOPLE (CONTINUED)

Training investment and reach

The Group invested R12.50 million in external training and development in FY25 (FY24: R14.37 million).

While total spend was lower year-on-year, to align with business priorities, our investments were concentrated in leadership, technical certifications and future-skills programmes.

Mecer Inter-Ed continued to play a central role in internal capability building, delivering R3.20 million worth of internal training in FY25 (FY24: R4.42 million).

To illustrate our reach at a people level, tracked hours show broad participation:

Employment Type	Total hours	Number of participants	Hours per employee
Non-permanent	13 980 hours	157	89 hours
Permanent	19 473 hours	880	22 hours

Future-skills programmes

FY25 delivery emphasised market-relevant, scarce-skills tracks. Notable completions included:

Intervention	Number of participants
Cloud Administration Learnership	15
Electrical Engineering (renewable-energy technologies)	15
Software development	3
Renewable-energy technologies - Solar	24

These were complemented by targeted vendor-accredited short courses run through Mercer Inter-Ed to sustain certifications in core infrastructure, cloud and security.

Leadership development, succession & talent planning

A management and supervisory leadership development programme was launched for Mustek Operations, strengthening first-line and middle-management capability. In parallel, HR consolidated structured succession-plan documents for Mustek Operations and Rectron, monitored on an ongoing basis. The completed skills audits across the Group fed directly into talent reviews, Individual Development Plans (IDPs), and role-based learning pathways. This integrated approach improves bench strength for critical positions and informs mobility decisions and targeted hiring.

Onboarding & induction

Onboarding and induction tools were streamlined for Mustek Operations and Rectron, standardising early-tenure learning and compressing ramp-up time. Content covers culture and values, key systems, compliance, and role-critical processes, with HRBPs and line managers jointly accountable for day-30, day-60 and day-90 milestones.

Measuring outcomes and effectiveness

Capability outcomes were assessed using formative and summative methods. For the MDP and SDP, summative evaluation took the form of structured presentations to EXCO, in which participants demonstrated how learning was applied to their operational contexts. Feedback from these sessions is captured for quality assurance and continuous improvement of programme design. Across technical tracks, post-course assessments and on-job performance checks were used to confirm skill transfer and inform follow-up coaching.

No Group-wide Learning Management System (LMS) or HR-analytics system upgrades were implemented in FY25, with tracking relying on established processes. Data quality improvements are planned alongside broader HR technology work in FY26 to improve granularity and near-real-time visibility of training, certifications and competency status.

OUR PEOPLE (CONTINUED)

Bursaries, internships and learnerships

Mustek continued to prioritise the growth and development of its people in FY25, with a focus on building critical technical expertise, expanding leadership capability, and creating sustainable career pathways for employees. The Group's learning initiatives combined formal education support, structured workplace training, and leadership development programmes to ensure skills growth was both relevant and impactful.

During the year, bursary support remained an important investment in employees and their dependants. A total of 73 bursaries (FY24: 104) were awarded across the Group to the value of R2.22 million (FY24: R2.64 million). These bursaries supported studies in key disciplines such as IT, engineering, finance, and other business-related fields, helping to build a pipeline of future-fit talent aligned to the Group's long-term needs.

Internship programmes also grew in reach and impact. Mustek Operations and Rectron hosted a total of 29 interns (FY24: 20) through the E-Study Work Readiness Programme.

Learnerships continued to provide a strong platform for vocational training and technical skills development. In FY25, 15 participants completed the Cloud Administration Learnership, 15 undertook Electrical Engineering in renewable-energy technologies, three specialised in Software Development, and 24 were trained in Renewable-energy Solar technologies. These programmes support both Mustek's transformation objectives and South Africa's broader skills agenda, equipping learners with scarce skills critical to the IT and renewable-energy sectors.

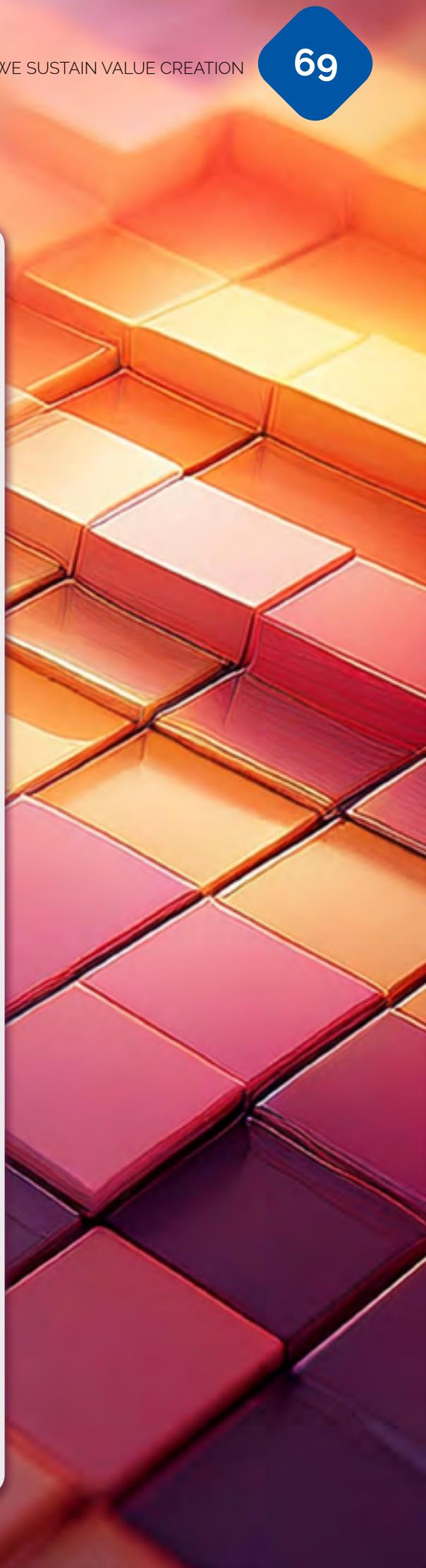
By combining bursaries, internships and learnerships with rigorous evaluation processes, Mustek Group ensures that investment in learning and development translates into measurable improvements in individual performance and organisational capability.

Looking forward

In FY26 Mustek aims to finish the work of standardising our Group-wide HR policy and practices across all subsidiaries, with Cyberantix and MIE explicitly in scope. The intention is to embed high-performance culture tools more broadly, building on the performance management rollout already completed within the Group. We aim to complete succession planning across talent areas, leveraging the consolidated Talent Plan for Mustek Operations and Rectron and convening talent forums at MIE and Cyberantix to lock in pipelines and timelines.

Skills development will remain tightly tied to business gaps. To this end, skills audits have been completed across the Group and consolidated at Group level, and these will drive targeted learning pathways and resourcing decisions in the year ahead. As part of culture work, we plan to design and phase in a Group recognition programme so that recognition is consistent and values-led across entities.

Employer branding will continue to scale. A Group Talent function is in place to improve employer-brand awareness, and we'll keep building presence through career-day partnerships and external platforms to strengthen candidate pipelines in scarce-skills roles. Alongside this, we are targeting a People Survey rollout by the end of 2025 to refresh baseline engagement data and drive measurable improvements in FY26.



GROUP SOCIAL AND ETHICS COMMITTEE REPORT

Performance for 2025

This report is prepared in compliance with the requirements of the Companies Act. It describes how the committee discharged its responsibilities in respect of the financial year ended 30 June 2025 and will be presented to the shareholders at the annual general meeting (AGM) to be held on 20 November 2025.

Group Social and Ethics Committee members

The composition of the committee is in line with King IV principles, namely that the majority of members are non-executive directors of the Board.

Responsibilities of the committee

During the reporting period, the Group Social and Ethics Committee's terms of reference were reviewed. In accordance with the terms of reference and annual work plan, the committee fulfils the functions and responsibilities assigned to it in terms of the company's compliance with the applicable requirements of Regulation 43 of the Companies Act, the company's activities in relation to relevant legislation and prevailing codes of best practice, and such other functions as may be assigned to it by the Board from time to time. These assist the Board to ensure that the Group remains a responsible corporate citizen.

The key objectives and responsibilities of the committee, which are aligned with the committee's statutory functions as set out in the Companies Act, form the basis of its annual work plan, and include the following:

- social and economic development
- the Group's standing relative to the United National Global Compact Principles and the Organisation for Economic Co-operation and Development recommendations regarding the combating of corruption and human rights
- compliance with the Employment Equity Amendment Act, 47 of 2013 and the Broad-Based Black Economic Empowerment Act, 53 of 2003 and associated Codes of Good Practice
- good corporate citizenship, including the Group's contribution to the development of communities in which it operates or markets its goods to and the Group's record of sponsorships, donations and charitable giving
- good corporate citizenship, including the Group's positioning and efforts in promoting equality, preventing unfair discrimination and combating corruption
- promotion of equality and transformation and preventing unfair discrimination, through its Code of Ethics and Business Conduct, and other social responsibility policies and strategies
- the environment, health and public safety, including the impacts of the Group's activities and products on the environment and society

- consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws
- labour and employment, including the Group's standing relative to the International Labour Organization Protocol on decent work and working conditions, and the Group's employment relationships and contribution to the educational development of its employees
- generally, the monitoring of the social, ethics, transformation, governance, employment, health, safety and environmental activities of the Group against internationally recognised human rights principles and other relevant best practice standards.

Ethics and business conduct

The Group's Code of Ethics and Business Conduct, which embodies its guiding principles and values, was reviewed during the year and found to be relevant. The Group's Code of Ethics and Business Conduct are included in induction packs for new employees. This policy deals with, inter alia, no tolerance for discrimination in whatever form, human rights, health and safety and the implementation of the Group's ethical standards to stakeholders.

The Code of Ethics and Business Conduct is available on
the company's website
[Mustek-Group-Code-of-Ethics-and-Business-Conduct.pdf](#)

The company's whistleblowing line was reviewed during the year and confirmed to be relevant and effective, providing an appropriate balance between encouraging reporting and discouraging malicious and frivolous reporting. Feedback in terms of calls received, via the fraud line or directly from internal audit, the Group Risk and Governance Department, the Group Social and Ethics Committee, or the HR Department, is reported on at each meeting of the committee.

Labour

Employment equity policies embody our commitment to implementing employment equity across the Group. Deviations appointments in the employment equity plan are discussed at Employment Equity Committee meetings.

Skills development remains an area of focus and the various skills development programmes that have been implemented are reported on more fully in this integrated annual report.

Refer to the Our People section on page 67 to 69 of this Integrated Annual Report.

Socio-economic development

The Group's commitment is to foster good relations with the communities in which we operate, and in so doing continues to pursue its business philosophy, which is to draw the staff it needs from the local communities in which it operates , thereby providing much-needed employment and other socio-economic benefits to local communities.

Refer to the Performance Review section on pages 36 to 49 of this Integrated Annual Report.

Transformation

Mustek Group remains focused on achieving its transformation goals and objectives. During the reporting period, Mustek Limited again achieved a level 1 B-BBEE rating, and Rectron Proprietary Limited achieved a level 2. Refer to the page 71 of this Integrated Annual Report for further information on the Group's transformation efforts, including employment equity plans and talent management.

Scorecard element	BEE score	Planned future focus areas
Equity ownership	25.00	Focus on increasing black ownership.
Management control (including employment equity)	15.59	Compliance with five-year employment equity plan. Increased compliance with equity-aligned recruitment policies.
Skills development	21.96	One of our core focus areas, in support of the country's educational focus.
Enterprise and supplier development: • preferential procurement • enterprise development • supplier development.	46.39	Focus on support to SMEs and exempted micro-enterprises. Stricter compliance with procurement policies. Alignment with the country's focus on uplifting previously disadvantaged communities, particularly in the areas of ICT and education.
Socio-economic development	12.00	

Stakeholder management

The stakeholder engagement framework outlines the Group's guiding principles for stakeholder engagement, which align with the values espoused in the Group's formal Code of Ethics and Business Conduct.

The Group strives to provide an attractive return to shareholders and valid, accurate and relevant information that complies with all related legislation through the shareholders' selected channel of communication.

Refer to pages 10 to 13 for more information on the stakeholder groups and engagement.

Environmental sustainability

The Group's sustainability framework focuses on energy and emissions, water management, transformation and product responsibility.

The underlying philosophy of the Group's environmental policy is the adoption of protective strategies to manage and control the impact of the Group's operations upon the environment while safeguarding its extensive assets and human resources.

Refer to the Environment section of this report on pages 73 to 75.

Health and safety

The Group endeavours to constantly improve its health and safety practices. These continue to improve annually and are reported on in this Integrated Annual Report on pages 59 to 69.



GROUP SOCIAL AND ETHICS COMMITTEE REPORT

(CONTINUED)

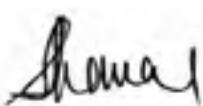
Evaluation of committee performance

The committee conducted a condensed self-evaluation by way of questionnaires to identify the focus areas for FY25. The results were that the performance of the committee was satisfactory. The focus areas for the current reporting period and the results thereof are included in the table below:

Focus Area	Measurement	Achieved	Comment
Further enhancing ESG Reporting;	<ul style="list-style-type: none"> • Complete the materiality assessment • Conduct a gap analysis on current ESG reporting • Implement a system to track ESG initiatives across the group for annual reporting purposes 	No	Due to Group performance and the cost linked to the materiality and gap assessments, the committee postponed the assessments on recommendation from management. However, the committee received quarterly feedback on each element of ESG and initiatives tracked. Refer to pages 73 to 75, 59 to 69 and 76 to 83 for feedback and improvements on the Group's Environmental, Social and Governance factors respectively.
Focus on Transformation and Succession Planning in terms of Employment Equity Plans	<ul style="list-style-type: none"> • Complete succession planning for EXCO teams at Mustek operations, Rectron and MIE 	Ongoing	The Talent management framework has been embedded across all the subsidiaries within the Group. Business unit talent plans for succession exist per entity, which have been consolidated into the Group's plan. The HR teams track execution of developmental plans on an ongoing basis and developmental initiatives such as leadership coaching, the MDP/ SMDP and job rotation are underway for the development of identified talent for succession. Talent reviews are held annually to update our talent map. Transformation and tracking against employment equity plans were reported quarterly to the committee. The committee is satisfied with the initial progress made on succession plans, with each of the major subsidiaries at different levels of progress. Refer to the Human Capital section for further information.
Focus on ethical risks and reporting of any ethical breaches	<ul style="list-style-type: none"> • Facilitate ethics awareness training across the Group • Formalise the ethics risk assessment process 	Yes	All employees within the Group have received ethics awareness training during the current year. Ethics risk assessment forms part of the Group's risk management framework and process. To further strengthen our ethical risk identification and assessment process, the Group will be engaging with all its employees on ethical risk and culture through an employee engagement survey that is planned for November 2025.

The following focus areas were identified for monitoring by the committee for the FY26 reporting period:

- Continued focus on transformation and succession planning
- Impact of sponsorships and donations in terms of CSI
- Skills available in the Group and staff rotation possibilities.



Shelley Thomas

Group Social and Ethics Committee chairman

10 October 2025

ENVIRONMENT

Mustek Group's approach to environmental management continues to focus on reducing our impact on the ecosystem while responding to the most pressing challenges facing society. These include the global threat of climate change caused by fossil fuel consumption, increasing pollution levels and, within the South African context, growing water scarcity driven by population growth and infrastructure constraints.

In FY25, the Group made progress in expanding renewable energy infrastructure, strengthening waste management practices and maintaining compliance with environmental legislation. However, we also faced operational challenges, including storm damage to the Solar PV system at Mustek Operations, which temporarily reduced renewable energy generation capacity during the year. Despite this, overall emissions for the Group reduced, reflecting the positive impact of newly installed solar capacity at Rectron branches and energy efficiency initiatives across our operations.

Energy and emissions

Mustek continues to strengthen its response to climate change by reducing reliance on fossil fuels, improving energy efficiency and expanding renewable energy use. In the year under review, Rectron Gauteng saw the benefit from its upgraded Solar PV system, and a new installation came online at its Eastern Cape facility. Cyberantix introduced inverter systems to reduce the need for diesel generators, further lowering carbon emissions.

At Mustek Operations, energy resilience was supported

The Group continues to measure emissions annually to track the impact of energy efficiency investments and operational improvements.

Energy consumption (GJ)	2025	2024	2023	2022	2021	2020
Mustek Operations						
Scope 1						
Stationary fuels	334	455	3 200	768	513	435
Company vehicle fuel usage	4 434	3 817	3 395	3 101	808	4 484
Renewable fuels (solar)	2 570	3 114	832	1 611	1 437	1 418
Total Scope 1	7 338	7 386	7 427	5 480	2 758	6 337
Scope 2						
Electricity	6 911	6 477	5 881*	6 414	6 934	7 080
Total Scope 1 and 2	14 249	13 863	13 308	11 893	9 692	13 417
Rectron						
Scope 1						
Non-renewable Stationary fuel	190	889				
Company vehicle fuel usage	1 910	1 453	4 535	2 703	2 555	2 506
Renewable fuel (solar)	1 201	441	493	906	812	1 038
Total Scope 1	3 301	2 783	5 028	3 609	3 367	3 544
Scope 2						
Electricity	1 377	2 745	3 088	2 677	2 633	2 688
Group total Scope 1 and 2	4 678	5 529	8 116	6 286	6 000	6 232

* Electricity value is an estimate due to upgrading the solar PV system and change in the reporting.

by existing battery-backed solar infrastructure, although generation capacity was temporarily affected at their Gauteng facility by damage caused by high winds during the year. Nevertheless, solar power continues to play a central role in diversifying energy sources and reducing emissions intensity across the Group.

Electricity consumption at Mustek Operations increased slightly to 6 911 GJ (FY24: 6 477 GJ), partly due to grid reliance during the period of reduced solar output. Diesel consumption used for generators by the Group decreased significantly to 14 369 litres (FY24: 36 867 litres) due to solar capacity at Rectron sites and the introduction of inverters at Cyberantix.

As part of the system review, emissions resulting from fuel claimed by employees for business travel using their personal vehicles have been accounted for in this year's reporting. Overall, Group emissions declined by 3%, with Rectron alone achieving a 40% reduction in emissions through full utilisation of its Johannesburg solar plant and additional PV capacity across branches.

Air-conditioning upgrades at Rectron branches continued, replacing older units with inverter-based systems that consume less energy and use refrigerants with lower environmental impact. Across the Group, LED lighting retrofits have reduced electricity consumption while improving energy efficiency in office and production areas.

ENVIRONMENT

(CONTINUED)

Emissions (tonnes CO ₂ e)	2025	2024	2023	2022	2021	2020
Mustek Operations						
Scope 1						
Non-renewable fuel	344	308	479	280	97	355
Other fugitive emissions (non-Kyoto gases)	6	18	54	8	74	77
Total Scope 1	350	326	533	288	171	432
Scope 2						
Electricity	1 977	1 853	1 683*	1 835	1 984	2 026
Total Scope 1 and 2	2 327	2 179	2 216	2 123	2 155	2 458
Rectron						
Scope 1						
Non-renewable fuel	153	168	332	198	187	183
Scope 2						
Electricity	394	785	884	766	753	769
Total Scope 1 and 2	547	953	1 216	964	940	952
Group						
Scope 1	503	494	865	486	358	615
Scope 2	2 371	2 638	2 567	2 601	2 737	2 795
Total Scope 1 and 2	2 874	3 132	3 432	3 087	3 095	3 410

* Electricity value is an estimate due to upgrading the solar PV system and change in the reporting.

Energy sources: Mustek Group	Coal-based from Eskom	Fuel generators	Solar photovoltaic
GJ (18 927GJ)	8 288	524	3 771
%	44	3	20

ENVIRONMENT

(CONTINUED)

Waste management

Responsible waste management remains a core priority for the Group. The majority of Mustek and Rectron's waste streams comprise packaging materials such as cardboard, plastic and wooden pallets, as well as hazardous electronic waste. Both entities partner with service providers who comply with environmental legislation and ISO 14001 standards, ensuring safe recycling and disposal practices.

At Mustek Operations, a baling machine was trialled in the production area to compact cardboard waste, thereby reducing transportation frequency, lowering emissions and improving on-site storage efficiency. Rectron continues to reuse incoming cardboard packaging to reduce the purchase of new materials, while toner cartridges and electronic components are recycled through approved channels to prevent hazardous waste from entering landfill sites.

Group recycled waste (tonnes)	2025	2024	2023	2022	2021	2020
Mustek Operations (including branches)	120	137	211	138	156	134
Rectron (including branches)	25	32	71	16	18	8
Total	145	169	282	154	174	142

Waste recycled in FY25 (% of total recycled waste)

Packaging materials	70
Electronic waste	55

During FY25, the Group recycled 145 tonnes of waste (FY24: 169 tonnes), including 70 tonnes of packaging materials (FY24: 62 tonnes) and 55 tonnes of electronic waste (FY24: 72 tonnes).

Mustek and Rectron remain fully compliant with the South African government's Extended Producer Responsibility (EPR) regulations, continuing to submit all required data on electronic equipment, packaging, and battery weights while paying fees in line with regulatory requirements.

Water consumption

Water is not a material input in Mustek's manufacturing and assembly processes and is mainly used for drinking, sanitation, and facility maintenance. Nevertheless, the Group recognises the importance of responsible water management in South Africa's water-scarce environment and has implemented several initiatives to strengthen supply resilience.

At Mustek operation's Gqeberha branch, rainwater harvesting systems continue to provide an alternative water source, while groundwater filtration systems at the Midrand branches reduce reliance on municipal supply and ensure business continuity during water disruptions. Although accurate water usage data was not available for FY25, the Group remains committed to improving measurement systems for more detailed reporting in future periods.

Supply chain and materials

Mustek applies strict environmental criteria to its procurement processes, selecting suppliers and components that meet international standards for energy efficiency and environmental performance. Our flagship Mecer brand prioritises RoHS-compliant components that limit hazardous substances, while packaging materials increasingly incorporate recyclable and biodegradable alternatives.

Where possible, plastic-based fillers in packaging have been replaced by paper-based materials, and packaging is reused multiple times before being sent for recycling. Across the supply chain, Mustek continues to collaborate with partners to reduce environmental impacts from sourcing through to end-of-life product disposal.

Looking ahead

The Group remains committed to expanding solar PV capacity across its facilities to further reduce reliance on carbon-based energy sources. Future plans include continued upgrades to energy efficient infrastructure, strengthening waste separation and recycling partnerships, and maintaining full compliance with environmental legislation.

In addition, Mustek will explore opportunities to adopt more comprehensive emissions tracking and reporting frameworks.



GOVERNANCE

Overview

The Mustek Group remained steadfast in its commitment to sound corporate governance throughout FY25. In an increasingly complex and regulated environment, our governance framework continues to provide the foundation for ethical leadership, strategic clarity and operational discipline.

Under the leadership of the Chairman, Isaac Mophatlane, the board continues to uphold principles of accountability, transparency and fairness, all of which are critical to maintaining stakeholder trust and ensuring the Group's long-term sustainability.

Key governance milestones during the year included the update of all Group policies (including the integration of Cyberantix), finalisation and implementation of the Group IT strategy framework, improved cashflow reporting disciplines, improved succession planning with short-term contingencies and long-term development pipelines, and finalisation of our Financial Intelligence Centre (FIC) compliance submissions.

While no penalties were issued during the year, we responded to regulatory queries, including shareholder questions related to the Novus transaction. These were addressed transparently and in full compliance with requirements.

Custodians of Governance

The Mustek Board, constituted in accordance with the Group's Memorandum of Incorporation (MoI) and King IV principles, serves as the custodian of corporate governance across the Group. In this role, the Board accepts collective accountability to stakeholders and remains committed to balancing the Group's commercial interests with its broader responsibilities to society.

A majority of Board members are independent non-executive directors, bringing objective perspectives, diverse thinking and robust oversight. This mix enhances governance, enables effective challenge to management, and ensures decisions are made in the best long-term interest of the Group and its stakeholders.

Strategic oversight and long-term stewardship

As Mustek's highest decision-making authority, the Board is responsible for:

- Approving the Group's strategy and ensuring it reflects the Group's values
- Steering and monitoring the implementation of strategy and related risks
- Evaluating Group performance against defined targets
- Ensuring sustainability and long-term value creation

Leadership team

The Group Remuneration and Nominations Committee oversees the nomination of directors and senior appointments. Candidates are evaluated based on their experience, integrity, industry knowledge, capacity, availability and their overall fit with the Mustek Group culture. The committee also considers existing board roles and external commitments to ensure all directors can effectively fulfil their duties..

Board demographics

At year-end, the composition of Mustek's Board reflected our ongoing commitment to diversity and inclusion. The board strives to achieve a minimum of 50% representation (currently 43% female) for each gender, aligned with our transformation goals and broader ESG ambitions.

The current Board is diverse in both gender and professional background, with representation across finance, IT, transformation, legal and strategy disciplines.





Our leadership team

Each director contributes unique skills and expertise that strengthen the Board's ability to guide and oversee the Group effectively.



Hein Engelbrecht (56)

Executive Director / Group Chief Executive Officer

Qualifications: BCom (Hons), CA(SA)

Committee: Group Social and Ethics Committee

Hein joined Mustek in 1997 as Group Financial Manager after completing his articles at Grant Thornton Kessel Feinstein and serving as Financial Manager at Office Directions. He was appointed to the Board on 1 September 2000. Following the passing of Mustek founder David Kan, Hein was appointed Group CEO on 30 June 2022.



Isaac Mophatlane (52)

Independent Non-Executive Director / Chairman of the Board

Qualifications: IT Entrepreneur

Committee: Group Remuneration and Nominations Committee

Isaac joined the Mustek Board as an independent non-executive director on 1 September 2023 and was elected Chairman on 23 November 2023. He is co-founder, director and shareholder of the Randvest Group, a private investment firm focused on technology. Isaac also co-founded BCX in 1996, which became a leading IT firm in Africa before being acquired by Telkom in 2016. He brings deep insight into the technology sector and serves as an independent non-executive director at Pepkor Holdings and deputy chair of the Catholic Education Investment Company. He previously served on the board of Exxaro Resources.



Neels Coetze (50)

Executive Director / Managing Director: Mustek Operations

Qualifications: BCom (Hons), CA(SA)

Committee: Group IT Steering Committee

Neels joined Mustek in 2001 as Group Financial Manager after completing his articles at Deloitte & Touche in 2000. He was appointed Financial Director on 29 August 2008 and assumed the role of Managing Director for Mustek Operations on 5 July 2022.



Shabana Aboo Baker Ebrahim (37)

Executive Director / Group Financial Director

Qualifications: BCom Hons (Cum Laude), CA(SA)

Committee: Group IT Steering Committee

Shabana began working with Mustek in 2016 as external audit manager while at Deloitte & Touche, where she rose to associate director. She joined Mustek in 2020 as Financial Manager and was appointed Group Financial Director on 5 July 2022. Her areas of expertise include financial reporting, governance, strategy, tax and compliance.

**Pamella Marlowe (43)****Independent Non-Executive Director**

Qualifications: BAcc, HDip Tax, CA(SA)

Committee: Group Audit and Risk Committee (Chair)

Pamella is the founder and Managing Director of DNM Consulting and Pamag Incorporated. She is a SARS-registered tax practitioner, IRBA-registered auditor and certified IoDSA director. She also serves as an Acting Chair of the Audit and Risk Committee of the Mineworkers Investment Trust. Pamella is a non-executive director of Resultant Finance, where she chairs the Group Audit and Risk Committee.

**Shelley Thomas (59)****Independent Non-Executive Director**

Qualifications: CA(SA)

Committees: Group Audit and Risk Committee; Group Social and Ethics Committee (Chair); Group Remuneration and Nominations Committee

Shelley brings over 20 years of board and committee experience across both the public and private sectors. She has held senior roles in forensic, compliance, and governance, and served as a financial director. Shelley was also a regulatory board member for 11 years, where she provided oversight on licensing and compliance matters.

**Ralph Patmore (73)****Lead Independent Non-Executive Director**

Qualifications: BCom,

MBL, Stanford Executive Programme

Committees: Group Audit and Risk Committee; Group Social and Ethics Committee; Group Remuneration and Nominations Committee (Chair)

Ralph was appointed to the Mustek Board on 16 October 2009. He was the founding CEO of Iliad Africa, which he led from 1998 until his retirement in 2008. He currently serves as a non-executive director of Trellidor Holdings and Calgro M3 Holdings, and brings extensive leadership and governance experience to the Group.

Leadership roles and responsibilities

Chairman of the Board

The Chairman leads the Board with integrity, ensuring it operates effectively and ethically. As a non-executive, the Chairman provides guidance without encroaching on management's responsibilities, and promotes collective responsibility in all decisions. The Lead Independent Director supports the Chairman in managing potential conflicts and reinforcing strong governance practice.

Group Chief Executive Officer

The Group CEO is responsible for executing the strategy approved by the Board. As the primary link between the Board and management, the Group CEO is accountable for operational performance and delivery on strategic objectives. The Board monitors this through regular, formal reporting. The Group CEO's performance is assessed annually by the Group Remuneration and Nominations Committee against set targets.

Group Company Secretary

The Group Company Secretary plays a critical governance support role, ensuring the Board's compliance with all regulatory obligations including the Companies Act and JSE Listings Requirements.

At the Board meeting held on 18 September 2024, the Board confirmed its satisfaction with the independence, performance, and capability of the Group Company Secretary, Sirkien van Schalkwyk. She provides services on a consultancy basis, maintains an arm's-length relationship with the Board, and reports directly to the Chairman on statutory matters.

Key responsibilities of the Group Company Secretary include:

- Advising the Board on governance and legal duties
- Ensuring policies and procedures are updated and followed
- Maintaining statutory registers and records
- Supporting ongoing director development
- Monitoring evolving governance trends and best practice

Board independence, tenure and diversity

A strong, independent Board is the foundation of effective governance. At financial year-end, the Mustek Board comprised a majority of independent non-executive directors, ensuring objectivity in oversight, accountability, and strategic guidance.

However, independence is only part of the picture. We also value a mix of perspectives and seek to achieve a balance of directors with deep institutional knowledge and long-standing service, with others who bring fresh, external insight. This blend supports well-rounded decision-making and ensures the Board remains agile and in tune with a fast-changing environment.

To maintain this balance, the composition of the Board is regularly evaluated - not only in terms of independence, but also in diversity of background, tenure, skills and experience.

Rotation and re-election of directors

In accordance with the Group's Memorandum of Incorporation (MoI), one-third of directors must retire at each annual general meeting (AGM) and may stand for re-election if eligible. Directors retiring by rotation are those who have served longest since their last appointment or re-election.

At the 2025 AGM, Shabana Aboo Baker Ebrahim, Shelley Thomas, and Isaac Mophatlane will be up for retirement and, being eligible, will be available for re-election.

Board skills



Director readiness and ongoing competence

All directors commit to maintaining an up-to-date understanding of the Group's business, the technology and IT sector, and the broader operating environment. Continuous learning and skills development are prioritised, with directors acting at all times with care, skill, and diligence.

To support this, all directors have:

- Unrestricted access to the Group Company Secretary
- The right to obtain independent professional advice at the Group's expense

The Board also receives regular updates on governance developments, regulatory changes, and evolving best practices.

Leadership roles and responsibilities (CONTINUED)

Authority and delegation

The Group maintains a clearly defined and regularly reviewed Delegation of Authority Framework. This ensures:

- No single director has unfettered powers
- Roles and responsibilities are clearly assigned
- Management is empowered to execute strategy effectively

The Board is satisfied that this framework supports efficient decision-making and aligns operational execution with strategic priorities.

Regulatory and governance compliance

The Board, through its committees, ensures full compliance with all relevant legislation and governance standards. Oversight responsibilities are delegated as follows:

- The Group Audit and Risk Committee oversees financial reporting, compliance, and internal controls
- The Group Social and Ethics Committee monitors governance, legal compliance, ethics, and stakeholder relations

Board meeting attendance

Directors are expected to attend all scheduled Board and committee meetings. Attendance is actively monitored, with full details disclosed in the corporate governance section of the integrated annual report. During the year under review, overall attendance met or exceeded the Board's expectations, reflecting a high level of commitment from all members.

		Committee membership and attendance				
		Classification	Board attendance 1 Special + 1 strategy	IB	ARC	RNC 1 special
Non-executive director	Isaac Mophatlane	Independent Non-executive Board chairman	6/6	4/4*	4/4	3/3
Independent non-executive directors	Ralph Patmore	Lead Independent Non-executive Director	6/6	4/4	4/4	3/3*
	Shelley Thomas	Independent Non-executive Director	6/6	4/4	4/4	3/3
	Pamella Marlowe	Independent Non-executive Director	6/6	4/4	4/4*	
Executive directors	Hein Engelbrecht	Group Chief Executive Officer	6/6		4/4	4/4
	Neels Coetzee	Executive Director	6/6			
	Shabana Aboo Baker Ebrahim	Group Financial Director	6/6			

*in capacity as Chairperson

IB - Independent Board

ARC - Group Audit and Risk Committee

RNC - Group Remuneration and Nominations Committee

SEC - Group Social and Ethics Committee

Leadership roles and responsibilities (CONTINUED)

The Board's role in sustainability and ESG Oversight

For Mustek Group, sustainability is much more than regulatory compliance - it's a key driver of long-term value for our business and all its stakeholders. The Board leads the way in integrating this thinking by embedding ESG considerations into Mustek's strategic direction and all its operations.

Board-level ESG oversight

- The full Board sets the tone and expectations for the Group's sustainability performance and ethical conduct.
- Ongoing sustainability oversight and monitoring is formally delegated to the Social and Ethics Committee, which includes independent directors with relevant experience in governance, transformation and ESG matters.

The Group Social and Ethics Committee's responsibilities include:

- Monitoring ethical risks and opportunities
- Reviewing and guiding sustainability-related policies
- Overseeing programmes on:
 - Employment equity
 - Skills development
- Corporate social investment (CSI) and socio-economic development (SED)
- Health, safety and environmental compliance
- Anti-fraud mechanisms, including anonymous whistleblower reporting

Through this structured approach, Mustek ensures its sustainability priorities are integrated into the Group's culture and decision-making, and aligned with long-term objectives.

Office of the CEO

The Office of the Group CEO strengthens Mustek's organisational and governance capabilities by consolidating strategic decision-making and enhancing oversight of critical functions across the Group. Its role is central to driving alignment, cohesion and accountability across the Group's operating entities.

The Office is responsible for:

- Group-wide strategy development and execution, in collaboration with business units and executive teams
- Enterprise risk management, including risk identification, assessment and mitigation
- Oversight of Group policies, ensuring consistency across subsidiaries and newly acquired entities
- Innovation, digital readiness and transformation
- Sustainability and long-term viability of the business

The Office also supports Mustek's vision, mission and values through consistent policy implementation and strategic leadership. In FY25, its scope expanded to include Cyberantix, strengthening its role in digital strategy and risk governance.

Members of the Office of the CEO:

- Hein Engelbrecht – Group Chief Executive Officer
- Shabana Aboo Baker Ebrahim – Group Financial Director
- Kutlwano Rawana – Group Human Resources and Transformation Executive
- Ondela Mhlongo – Group Risk and Governance Executive
- Juan Paul Gough – Group Data and Technology Executive
- Neels Coetzee – Managing Director, Mustek Operations
- Spencer Chen – Chief Executive Officer, Rectron
- Sean Evans – Managing Director, Mecer Inter-Ed
- Morne Terblanche – Managing Director, Cyberantix

Transparency and ethical conduct

At Mustek, transparency and accountability are fundamental to the way we operate. Our governance structures, reporting processes and ethics-focused culture reinforce our commitment to conducting business in a fair, responsible and legally compliant manner.

Leadership roles and responsibilities (CONTINUED)

Access to information and conflicts of Interest

During the reporting period, we received a formal information request in terms of the Promotion of Access to Information Act (PAIA), which was processed in accordance with statutory requirements.

All directors formally declare their interests annually and are required to recuse themselves from discussions or decisions in which a potential conflict may arise. This process ensures impartiality and strengthens Board integrity.

During the year, three executive directors held an interest in an entity associated with Novus. This interest was duly declared in accordance with the Group's conflict of interest policy. Where applicable, the directors were recused from any related discussions or decisions.

Ensuring integrity in reporting

The Board delegates oversight of all external reporting to the Group Audit and Risk Committee. This includes accountability for the accuracy, completeness and credibility of this Integrated Annual Report. The committee ensures that the report is:

- Prepared in accordance with relevant reporting frameworks
- Clear, balanced and aligned with stakeholder expectations
- Reviewed and approved by the Board prior to publication

The Group also aligns its reporting with the JSE's Sustainability Disclosure Guidance and other applicable best practice frameworks.

Whistle-blowing and grievance mechanisms

Mustek fosters an open, ethical environment where misconduct can be reported without fear of retaliation. Our established anonymous whistle-blowing line enables employees, customers and stakeholders to report concerns related to unethical or unlawful behaviour. Employees also have access to structured internal grievance channels and external advisors who provide confidential legal and ethics support. These channels are supported by:

- The Group's human resources function
- An independent ethics advisor, LabourNet
- Regular awareness and training on grievance mechanisms

All whistle-blowing reports received during the year were reviewed and escalated to the Group Social and Ethics Committee in accordance with Group policy. All reported matters are handled sensitively and confidentially, and are investigated and addressed in accordance with policy. Feedback is provided to whistle-blowers to update them on progress and outcomes of investigations.

Anti-corruption and anti-bribery commitment

The Group maintains zero tolerance for bribery, corruption or any related misconduct. During FY25 no incidents of corruption were reported or identified. All employees, executives and Board members receive anti-bribery, anti-corruption and anti-fraud training.

We continue to engage externally with stakeholders to reinforce our commitment, including hosting whistleblowing awareness campaigns and participating in collaborative initiatives with industry peers, regulators and civil society

Lobbying and political contributions

Mustek does not engage in political lobbying or donate to political parties directly or indirectly.

Fines and penalties

The Group did not incur any fines, penalties or settlements related to ESG matters during the period under review. This reflects our adherence to internal controls, legal obligations and responsible operational practices.

Internal audit oversight

The Group's internal audit function is outsourced to Nexia SAB&T, a leading assurance provider known for its independence, objectivity and sector experience. During the year:

- Nexia SAB&T carried out independent reviews of the Group's internal controls and risk processes
- The Group Audit and Risk Committee expressed satisfaction with the quality and scope of Nexia's work
- Specialised assurance providers were used to strengthen combined assurance

This assurance function continues to strengthen our internal governance, limit risk exposure, and improve financial and operational resilience.



Group Remuneration and Nominations Committee report

This report comprises three sections:

- PART I: Matters considered by the Group Remuneration and Nominations Committee
- PART II: Remuneration policies and principles for shareholders' vote at the annual general meeting
- PART III: Implementation report of the remuneration policy.



PART I: Report from the Group Remuneration and Nominations Committee

In reviewing the committee's composition during the year, it was decided that, due to the compact size of the company, the Group Remuneration and Nominations Committee will remain one committee.

Appointment of directors to the Board

Apart from a candidate's skills and experience, relative to the identified needs of the Board and its committees, consideration is also given to the candidate's availability, likely fit, integrity, as well as other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The Group Remuneration and Nominations Committee also considers race and gender diversity in its assessment, in line with its gender and race diversity policy, and voluntary targets, which were reviewed and confirmed during the reporting period.

Group Remuneration and Nominations Committee members

The chairman of the Board is not eligible for appointment as chairman of the committee but will preside as chairman when the committee fulfils its oversight responsibilities on nomination matters.

Role of the Group Remuneration and Nominations Committee

The Group Remuneration and Nominations Committee has reviewed the terms of reference, approved by the Board, setting out its duties and responsibilities.

The committee prepares for Board consideration and approval:

- the governance of remuneration by setting the direction for how remuneration should be approached and addressed on a Group-wide basis
- a remuneration policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration
- the remuneration policy and implementation report for a non-binding advisory vote at the AGM of shareholders once every year
- the results of the performance evaluation of the Group Chief Executive Officer, Executive Director (Mustek Operations: Managing Director) and Group Financial Director, both as directors and as executives, and determines their remuneration
- the remuneration of non-executive directors for approval by shareholders
- the policy and scope of pension arrangements, employment contracts, termination payments and compensation commitments.
- market trends and reputable survey results for determining packages and arrangements
- the incentive scheme to ensure continued contribution to shareholder value and that these are administered in terms of the rules
- a review of its composition by setting the direction and approving the process for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities
- recommendations on the appointment of the Group chief executive officer, new executives and non-executive Directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive directors appointed to the Board and Committees, with the majority being non-executives
- reviews of the Board structure, size, composition and mix of skills and experience with recommendations for any adjustments that are deemed necessary
- targets for race and gender representation in its membership

- the staggered rotation of its members so as to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity for recommendation to the Board
- prior to appointing a candidate as a director of the Company, review his/her current commitments to ensure he/she will have sufficient time to fulfil the role as director
- succession plans for the Group Chief Executive Officer and Group Financial Director as well as senior management appointments are developed and implemented and confirmed by the Board

Committee evaluation

The Group Remuneration and Nominations Committee conducted a condensed self-evaluation by way of questionnaires to identify the focus areas for FY25. This review considered the committee's performance to be satisfactory. The focus areas for the current reporting period and the results thereof are included in the table below:

Focus Area	Measurement	Achieved	Comment
Re-assess the long-term incentive scheme for executive directors and executive management	<ul style="list-style-type: none"> Formulate a revised long-term incentive scheme 	×	Considering the ongoing corporate action, the committee agreed to delay this process up until the current mandatory offer process has been completed.

The following focus areas were identified for monitoring by the committee for the FY'26 reporting period:

- Re-assess the long-term incentive scheme for executive directors and executive management once the mandatory offer process has been completed
- Succession plans and talent management for top management



Ralph Patmore

Group Remuneration and Nominations Committee Chairman

10 October 2025



PART II: Remuneration policy

Background statement

The Group's remuneration policy aims to attract, retain and motivate skilled and performing employees to execute the Group's strategy. The remuneration philosophy and framework are predominantly guided by the business strategy.

Employee remuneration, particularly fixed guaranteed remuneration, is a significant component of the group's total operating cost. Remuneration is structured to be competitive and relevant in the sectors in which the Group operates. Variable remuneration, which pertains more strongly to more senior tiers, rewards good performance but also has the advantage of serving as an automatic cost reduction mechanism when returns are under pressure.

General employees' remuneration

The total remuneration mix for the general body of employees consists of guaranteed pay and benefits (fixed guaranteed remuneration) as well as a short-term bonus award. Fixed guaranteed remuneration is monitored and benchmarked on a regular basis. General adjustments to guaranteed pay are effective from 1 July each year. Annual increase parameters are set using guidance from Group budgeting processes, market movements, individual performance, the performance of the business and any other relevant factors. Increases above or below inflation depend on the factors set out above.

Mustek pays short-term bonuses aligned to best practice. Bonuses depend on the performance of the individual and of the business in which they are employed.

Other benefits include pension fund membership, medical aid membership, death and disability insurance, funeral cover and in some cases travel allowances or the use of company-owned vehicles. Mustek considers the provision of these benefits to be socially responsible employment practice

Executive remuneration

Executives are responsible for leading others and taking significant decisions about the short and long-term operation of the business, its assets, funders and employees. They require specific skills and experience and are held to a higher level of accountability. The Group's remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group's strategy to ensure the sustainability of the Group and optimise long-term stakeholder value.

The total remuneration mix consists of guaranteed pay and benefits (fixed guaranteed remuneration) and short and long-term incentives. The ratios within the remuneration mix differ depending on seniority levels and responsibilities. The Group's remuneration structure for senior management, including the executive directors, has three elements:

- fixed guaranteed remuneration on a cost-to-company basis
- short-term performance-related remuneration, based on annual results and the achievement of non-financial objectives
- long-term (three years) remuneration linked to share price appreciation and therefore long-term value-adding performance

To ensure remuneration is market related, all elements of remuneration are subject to regular benchmarking exercises.

The committee believes that the remuneration policy aligns executive's interests with those of the stakeholders by promoting and measuring performance that drives long-term sustained benefits.

Guaranteed packages

Following established best practices, salaries are set with reference to the scope and nature of an individual's role and his or her performance and experience, compared with the 25th to 75th quartile pay levels of South African companies to ensure sustainable performance and market competitiveness. Employees receive guaranteed packages, which might include membership to one of the Group's medical healthcare schemes and a travel or vehicle allowance for necessary business travel.

In discharging its duties the committee considers various factors, including general economic and business conditions, past and expected performance of the Group, the inflation outlook, the employment market conditions and trends and, importantly, the pay gap that exists in the Group and the business sector generally. Where considered necessary, the committee seeks the advice of experts regarding these factors, particularly concerning conditions of employment, fair pay and trends.

In recent years, the Group's response to the pay gap issue has been to grant higher average salary increases to lower-paid employees than to their more senior colleagues. The remuneration committee monitors progress in managing the pay gap in the Group. During the period under review, the committee obtained assurance on outliers on both sides of the salary increase scale with a view to ensuring that no prejudice or favouritism took place in the process. The committee also received confirmation that there are no instances of non-compliance with minimum wage requirements.

Employees' guaranteed remuneration was reviewed and, after a recommendation to the Board, implemented with effect from July 2025. The committee approved average increases of 3% based on individual business performance and individual employee performance evaluations. The Consumer Price Index (CPI) was an important metric in determining the approved increase.

PART II: Remuneration policy (CONTINUED)

Short-term incentive

The executive directors and executive management of the subsidiaries are appraised against a clear set of objectives and key performance indicators to ensure they are remunerated fairly and responsibly. They are measured and remunerated according to their alignment, achievement and contribution to the Group's strategy and financial performance.

The committee may consider discretionary bonuses for individuals for exceptional effort where no short-term incentives have been earned up to a maximum of 20% of the individual's guaranteed pay.

All payments in terms of the STI scheme are based on audited year-end results and should be self-funded. The bonus paid out therefore always relates to the results of the previous year.

For the year ending 30 June 2026, weighting for STIs will be as follows:

Components	Max score – Distribution	Max score – Service subsidiaries
Return on Equity ("ROE")	20%	20%
Profit before tax ("PBT")	40%	60%
Working capital management	20%	-
Agreed non-financial strategic objectives	20%	20%
	100%	100%

These components are scored as follows:

ROE

- ROE < 11.5% = score of 0%
- ROE of 11.5% = score of 50%
- ROE between 11.5% and 15.5% = score is calculated on a sliding scale ranging between 50% and 100%
- ROE > 15.5% = score of 100%.

PBT

IFRS 2 variations to the budget would be added back since it is determined by share price movements:

- < budget = score of 0%
- on budget = score of 50%
- 5% above = score of 75%
- 10% above = score of 100%.

Working capital

- If the average cash conversion cycle for the year is equal to the target set for each of the subsidiaries, a score of 50% would be achieved for this component
- If the average cash conversion cycle for the year is below 3% of the target set for each of the subsidiaries, a score of 75% would be achieved for this component
- If the average cash conversion cycle for the year is below 5% of the target set for each of the subsidiaries, a score of 100% would be achieved for this component.

The cash conversion cycle is expressed in days and calculated as follows:

$$\text{Receivable days} = [\text{Trade and other receivables} / \text{Annualised Revenue}] * 365$$

ADD

$$\text{Inventory days} = (\text{Total inventory} / \text{Annualised Cost of Sales}) * 365$$

LESS

$$\text{Payable days} = [\text{Trade payables (excl trade finance)} / \text{Annualised Cost of Sales}] * 365$$

The above will be calculated on a quarterly basis and the average score for the year will be used to determine the average days for the year.

The Group Executive Directors and CEOs/Managing Directors (MDs) of all operating subsidiaries, can earn up to 100% of their annual cost-to-company guaranteed packages as bonuses. The Group and operating subsidiary executive committee members can earn up to 50% of their annual cost-to-company packages as bonuses.

The executive teams of the various operating subsidiaries will be measured on their performance in terms of their business. The performance bonus of the CEOs/MDs of the operating subsidiaries wholly owned by Mustek is split as follows:

- 20% based on the Group's performance
- 80% based on their individual business' performance

The Group Chief Executive Officer and Group Financial Director's bonus calculation is based on the Group's performance.

PART II: Remuneration policy (CONTINUED)

Long-term incentive (LTI)

The LTI plan forms part of the variable compensation and is used to attract, retain and motivate employees who influence the long-term sustainability and strategic objectives of the Group. The purpose is to foster sustainable performance or value creation over the long term, which is aligned to the Group's strategy and enhances stakeholder value. Its main characteristic is to deliver value over a future vesting period, once performance criteria are met or exceeded.

The directors may, on an annual basis or from time to time, grant options to employees selected by the Group Remuneration and Nominations Committee. The Group Remuneration and Nominations Committee determines the number of share appreciation rights (SARs). The price at which SARs may be granted is the weighted average market price of the ordinary shares of the company on the JSE, as certified by the Group Company Secretary, for the June trading days each year. All SARs granted will remain in force for a period of six months after vesting. SARs may only be exercised by an employee or retired employee subject to the achievement of certain performance hurdles that may be determined by the directors from time to time.

The price at which SARs may be exercised will be the weighted average market price of the ordinary shares of the company on the JSE, for the 30 calendar days immediately preceding that on which the employee is exercising the option. Upon exercising the SARs, the employee will be paid an amount determined as the difference between the exercise price and the grant price multiplied by the number of SARs, less any tax that may at that time be applicable to such a cash bonus. The maximum payment per tranche is capped at 10% of the latest published 12 months EBITDA. This cap is reviewed annually.

Details of the benefits held by the executive directors under the existing LTI schemes are detailed in note 32 of the annual financial statements.

The remuneration committee planned to re-assess the LTI scheme for executive directors and executive management in FY25, however due to the ongoing corporate action this has been postponed until the mandatory offer process has been completed.

Non-executive directors

It is the Group's policy to identify, attract and retain non-executive directors who can add value to the business. The Board applies principles of good corporate governance relating to directors' remuneration and also keeps abreast of changing trends.

Governance of directors' remuneration is undertaken by the committee. The committee takes cognisance of market norms and practices as well as additional responsibilities placed on the Board members by new legislation and corporate governance principles. The fees for non-executive directors are recommended by the committee to the Board and will be tabled for approval by the shareholders at the AGM on 20 November 2025.

Non-executive directors receive a retainer for their main Board and committee membership and an attendance fee per meeting attended.

The policy on remuneration for non-executive directors is that this should:

- be market-related; and
- benchmarked against the fee survey for "small-cap technology" issued by PricewaterhouseCoopers annually

Non-executive directors do not receive bonuses or share options, as it is recognised that this can create a potential conflict of interest, which can impair the independence that non-executive directors are expected to bring to bear in decision-making by the Board.

PART II: Remuneration policy (CONTINUED)

In line with the Group Executive's salary adjustments a 0% increase is being proposed to the director fees as set out in the notice of AGM available on www.mustek.co.za/financial/financial and below:

	Chairman	Per meeting attended	Member	
	Annual retainer		Annual retainer	Per meeting attended
Board of directors	R 542 125	R 20 214	R 136 544	R 20 214
Group Audit and Risk Committee	R 109 175	R 25 575	R 69 084	R 16 775
Group Remuneration and Nominations Committee	R 80 741	R 23 708	R 59 802	R 15 880
Group Social and Ethics Committee	R 71 544	R 13 001	R 14 594	R 6 262

Use of external remuneration advisers

From time to time, advice from external remuneration advisers is obtained to ensure that the remuneration policy and our implementation are informed by market-related data, current industry and general best practice remuneration trends. The committee is satisfied that the services rendered by these external advisers were independent and objective. Overall, the committee is satisfied that the remuneration policy achieved its objectives for the past year.

Results of the previous voting on the remuneration policy and voting procedures going forward

Mustek received a 99.99% and 96.08% non-binding advisory vote in favour of its remuneration policy and implementation report, respectively, at the AGM held on 21 November 2024.

The remuneration policy (as set out in part II) and our implementation report (as set out in part III) will again be put to shareholders as two separate non-binding advisory votes at the AGM to be held on 20 November 2025. The remuneration policy (as set out in part II) and our implementation report (as set out in part III) will again be put to shareholders as two separate non-binding advisory votes at the AGM to be held on 20 November 2025.



PART III: Remuneration implementation report

The remuneration implementation report details the outcomes following the implementation of the approved remuneration policy.

The group had no prescribed officers for the financial year. Prescribed officers are persons, not being directors, who either alone or with others exercise executive control and management over the whole or a significant portion of the business of the company.

Total directors' remuneration

The table below provides an overview of the total remuneration paid to executive and non-executive directors for the financial year ended 30 June 2025:

	2025 R000	2024 R000
Executive directors	16 875	14 451
Non-executive directors	2 625	2 158
Total	19 500	16 609

Executive directors' remuneration

Executive directors	Basic salary R000	Expense allowances R000	Bonus and performance related R000	Share appreciation rights exercised R000	Fringe benefit on interest-free loan R000	Total R000
2025						
Hein Engelbrecht	6 037	270	-	863	883	8 053
Neels Coetzee	4 160	96	-	711	48	5 015
Shabana Aboo Baker Ebrahim	3 807	-	-	-	-	3 807
2025	14 004	366	-	1 574	931	16 875
2024						
Hein Engelbrecht	5 680	270	-	-	980	6 930
Neels Coetzee	3 919	96	-	-	76	4 091
Shabana Aboo Baker Ebrahim	3 430	-	-	-	-	3 430
2024	13 029	366	-	-	1 056	14 451

Non-executive directors' remuneration

The participation of non-executive directors in the Group is essential to the achievement of its strategic objectives. Non-executive directors' fees are therefore recommended by the executive directors and Group Remuneration and Nominations Committee with this in mind.

In accordance with the Companies Act and the company's memorandum of incorporation, non-executive directors' fees are approved by the shareholders at the AGM. The current fee levels are to be approved by shareholders at the AGM to be held on 20 November 2025 and are stated on page 7 of the notice of annual general meeting available on www.mustek.co.za/financial/.

The total amount spent on non-executive directors' fees for FY25 is as follows:

Non-executive director	2025	2024
Isaac Mophatlane	732	425
Ralph Patmore	655	518
Shelley Thomas	694	543
Pamella Marlowe	544	439
Vukile Mehana	-	233
Total	2 625	2 158

Directors' service contracts

There are no fixed-term service contracts for executive or non-executive directors. The Group Remuneration and Nominations Committee reviewed the employment contracts of the Group Chief Executive Officer, Mustek Operations: Managing Director and Group Financial Director and found them to be still appropriate to meet the needs of the company. Notice periods for these executive directors are three months..

Comparable offer on share appreciation right scheme

The Novus offer circular to Mustek Shareholders in May 2025 included a Comparable Offer for SARs participants. At the date of offer, only the 2027 SARs participants were entitled to receive any benefits from the Comparable Offer of R13.00 per Phantom Share as the minimum vesting price therein (which is deemed to be R13.00 per phantom share) exceeded the issue price of such Phantom Shares (R9.23). At 30 June 2025, only the three executive directors have not accepted the Comparable Offer.





ANNUAL FINANCIAL STATEMENTS



General Information

Registered office	322 15th Road Randjespark Midrand 1685
Auditors	BDO South Africa Incorporated Registered Auditors
Secretary	Sirkien Van Schalkwyk
Company registration number	1987/070161/06
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled by: Jo-Anne Pieterse CA(SA) (supervised by Shabana Aboo Baker Ebrahim FD) CA(SA)
Nature of business	Mustek Limited is a company incorporated in South Africa and listed on the JSE Limited. The Mustek Group is a seamless technology solutions provider and operates through a network of synergistic companies across the core areas of distribution, manufacturing, training and services.
Sponsors	Deloitte and Touche Sponsor Services Proprietary Limited

Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

	Page
Directors' Responsibilities and Approval	94
The CEO and finance director responsibility statement	95
Company Secretary's Certification	96
Independent Auditor's Report	97
Audit and Risk Committee Report	101
Directors' Report	107
Statements of Comprehensive Income	112
Statements of Financial Position	113
Statements of Changes in Equity	114
Statements of Cash Flows	115
Accounting Policies	116
Notes to the Financial Statements	121



Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included therein. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards, the Companies Act of South Africa and the JSE Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and company and all employees are required to maintain the highest ethical standards in ensuring the group and company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and company is on identifying, assessing, managing and monitoring all known forms of risk across the group and company. While operating risk cannot be fully eliminated, the group and company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The consolidated and separate financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group and company will not remain a going concern for the next twelve months and the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group and company's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 97 to 100.

The annual financial statements set out on pages 107 to 199, which have been prepared on the going concern basis were approved by the board on 19 September 2025 and were signed on their behalf by:

Approval of financial statements



I Mophatlane



H Engelbrecht

The CEO and finance director responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- a) the consolidated and separate financial statements set out on pages 112 to 199, fairly present in all material respects the financial position, financial performance and cash flows of Mustek Limited (the issuer) in terms of IFRS Accounting Standards;
- b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate financial statements false or misleading;
- c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate financial statements and we have fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- e) where we are not satisfied, we have disclosed to the Audit and Risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- f) we are not aware of any fraud involving directors.



H Engelbrecht

19 September 2025



S Aboo Baker Ebrahim

19 September 2025





Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that for the year ended 30 June 2025 the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Sirkien Van Schalkwyk

Company Secretary

19 September 2025

Independent Auditor's Report

To the Shareholders of Mustek Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Mustek Limited and its subsidiaries (the group and company) set out on pages 112 to 199, which comprise the consolidated and separate statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Mustek Limited and its subsidiaries as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Group Materiality amounted to R 35,900,000, which represents 0.5% of Total Revenue to the Group.

Company materiality amounted to R 24,300,000, which represents 0.5% of Total Revenue to the Company.

Total revenue has been concluded as an appropriate benchmark for assessing materiality for both the group and the company, as revenue is a key and consistent driver in monitoring financial performance.

Group Audit Scope

Our group audit was scoped by obtaining an understanding of the group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

We also considered the organisation, location and business operations of each entity in the group and changes in the business environment when we formed our view as to the grouping of each component which assisted us in assessing the level of work to be performed at each component. Our process focused on identifying and assessing the risk of material misstatements of the consolidated financial statements as a whole, in order to assist us in forming our approach to the group audit. This process has assisted us in determining the audit work that needed to be undertaken at each of the components. We identified 17 components and applied the following scoping:

- Two full scope components were selected based on the risk in the respective components and for which we therefore performed procedures as necessary to address the risk of material misstatement of the consolidated financial statements;
- Five specific scope components, where the extent of our testing was based on our assessment of the risk of material misstatement arising from certain specific financial balances and/or processes at those locations; and
- Analytical review procedures were performed over the remaining components that were considered inconsequential to the group.



Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p>Inventory – allowance for obsolescence (this key audit matter relates to the consolidated and separate financial statements)</p> <p>As disclosed in note 19 of the consolidated and separate financial statements, the group and company carried inventory amounting to R1.8 billion (2024: R2.4 billion) and R1.1 billion (2024: R1.5 billion) respectively as at year-end. An allowance for inventory obsolescence amounting to R79 million (2024: R83 million) and R49 million (2024: R52 million) has been raised in the group and company financial statements respectively.</p> <p>In terms of IAS 2 Inventories, management assesses the net realisable value and the requirement for write-downs of inventory items at year-end. The group and company's inventory is vulnerable to obsolescence, as it is subject to constantly evolving technology and products are continuously being replaced by newer products in the market. The allowance for obsolescence is therefore subject to high levels of judgement and estimation uncertainty.</p> <p>We considered the valuation of this allowance to be a matter of most significance to the current year audit of the consolidated and separate financial statements, due to the judgements and estimates applied by management in the determination thereof and the nature and quantum of the inventory balances to which the allowance relates to.</p>	<p>In evaluating the allowance for inventory obsolescence, we performed various audit procedures, including the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation of the group and company's relevant controls relating to the determination of the allowance; • Obtained calculations for the allowance from management and recalculated the arithmetical accuracy thereof; • Through discussions with management, obtained an understanding of the inventory obsolescence accounting policy, including methodologies, assumptions and estimates used by management to calculate the allowance. We noted no significant matters requiring further consideration.; • Evaluated the reasonableness thereof through comparison with the prior year allowance for consistency and our knowledge of industry norms, as well as the inclusion of specific inventory items in the allowance as a result of non-recurring conditions; • Obtained and assessed, through inspection of supporting documentation, management's explanations relating to a sample of inventory items for which a write-down to net realisable value was provided, and considered the reasonableness thereof with reference to sales quantities and prices after year end and other verifiable information. We found that the explanations provided were reasonable; • Using Data Analytics, tested the accuracy of the ageing of inventory, as well as the sales rate of inventory on hand at year-end, as these are the primary determinants of the need for the allowance. We did not note any inconsistencies in this regard; • Using Data Analytics, as well as evaluating the age of the inventory, we assessed whether adequate allowances were raised on aged inventory with reference to the prices at which these can be sold for. We found that the allowance raised on aged inventory fell within our range; and • Assessed the adequacy of the accounting policy and related disclosures for inventory against the requirements of IAS 2.

Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mustek Limited (Registration number 1987/070161/06) Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.





Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Mustek Limited for 6 years.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

Vianca Pretorius

Director

Registered Auditor

19 September 2025

Wanderers Office Park, 52 Corlett Drive, Illovo, 2196

Audit and Risk Committee Report

The Audit and Risk Committee has pleasure in submitting this report, which has been approved by the Board and has been prepared in accordance with section 94(7)(f) of the Companies Act No 71 of 2008 (the Act) and incorporating the recommendations of the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV).

In summary, this committee assists the Board in its responsibilities covering the:

- internal and external audit process for the Group taking into account the significant risks
- adequacy and functioning of the Group's internal controls
- integrity of the financial reporting
- risk management and information technology.

The committee has performed all the duties required in section 94(7) of the Companies Act 71 of 2008.

In reviewing the Committee's composition during the year, it was decided that, due to the size of the company, the Audit Committee and Risk Committee would remain one Committee and attend to both audit and risk responsibilities. However, the agenda is divided into two separate sections so as to ensure that both audit and risk management responsibilities are attended to.

1. Members of the Audit and Risk Committee and attendance of meetings

There were no changes to the composition of the committee which consists of Pamella Marlowe (Chairman), Shelley Thomas and Ralph Patmore, all three independent non-executive directors. The Group Chief Executive Officer, Managing Director, Financial Director, other members of senior management and representatives of the external auditor and the internal auditor of the Group attend meetings by invitation and attended all meetings held during the reporting period. The Board is satisfied that the independence, experience and qualifications of each member enables them to fulfil the committee's mandate. In addition to scheduled meetings, the committee meets at least once a year with the company's internal and external auditors, without management being present.

Four quarterly meetings were held during the reporting period. Attendance of the meetings has been included in the integrated annual report.

Name	Position	Qualification	Experience	Meetings attended
Pamella Marlowe	Independent chairman	BAcc, HDip Tax CA(SA), RA,	Over 15 years' experience as a chartered accountant	4/4
Ralph Patmore	Independent member	Bcom, MBL, Standford Executive Programme	Over 30 years' experience in management, strategy, mergers and acquisitions and accounting matters	4/4
Shelley Thomas	Independent member	CA(SA)	Over 25 years' experience in financial and risk management	4/4

The committee, as a whole, has the necessary financial literacy, skills and experience to execute their duties effectively.

2. Role of the Audit and Risk Committee

The Board reviewed the terms of reference of the Audit and Risk Committee, setting out its duties and responsibilities as prescribed in the Companies Act and recommended practices of King IV. Duties delegated by the Board to the committee included the following:

- assists the Board in overseeing the quality and integrity of the Group's integrated reporting process, including the financial statements and sustainability reporting, and announcements in respect of the financial results
- considers sustainability-related impacts, risks and opportunities
- monitors that an effective control environment in the Group is maintained
- ensure a combined assurance model is applied to provide a coordinated approach to all assurance activities
- provides the Group financial director, external auditor and the head of internal audit with unrestricted access to the committee and its chairman as is required in relation to any matter falling within the ambit of the committee

Role of the Audit and Risk Committee (continued)





Audit and Risk Committee Report

- meets with the external auditor, senior managers and executive directors as the committee may elect
- meets confidentially with the internal and external auditors without other executive Board members being present
- reviews and recommends to the Board the interim financial results and financial statements
- oversees the activities of, and ensures coordination between, the activities of the internal and external auditors
- forms an integral component of the risk management process and, as such, has oversight of the risk management process and reviews the risk management policy, resultant risk registers and action plans to mitigate all key risks
- fulfils the duties that are assigned to it by the Companies Act and as governed by other legislative requirements, including the statutory audit committee functions required for subsidiary companies
- report to the Board on the committee's activities and make recommendations to the Board concerning the adequacy and effectiveness of the risk policies, procedures, practices, controls or any other matters arising from its responsibilities
- receives and deals with any complaints concerning accounting practices, internal audit or the content and audit of its financial statements or related matters
- satisfy itself of the appropriateness, expertise, resources and experience of the group's finance function, and specifically the group financial director
- consider the most current information provided in respect of the JSE Proactive Monitoring Process
- review IT and fraud risks
- oversees the activities of the IT Steering Committee
- conduct annual reviews of the Audit and Risk Committee's work plan and terms of reference
- assesses the performance and effectiveness of the Audit and Risk Committee and its members on a regular basis.

3. Execution of functions during the year

The committee is satisfied that, for the 2025 financial year, it has performed all the functions required to be performed by an Audit and Risk Committee as set out in the Companies Act, JSE Listings Requirements, King IV and the committee's terms of reference.

The Audit and Risk Committee discharged its functions in terms of its terms of reference and ascribed to it in terms of the Companies Act during the year under review as follows:

3.1. External audit

The committee among other matters:

- nominated BDO South Africa Inc. and Vianca Pretorius as the external auditor and designated auditor respectively to shareholders for appointment as auditor for the financial year ending 30 June 2025, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor
- nominated the external auditor and the designated auditor for material group companies for re-appointment
- requested from BDO South Africa Inc. the formal letter of their latest inspection performed by IRBA on the firm and Vianca Pretorius, including any findings to the firm and/or individual in line with paragraph 3.84(g)(iii) of the JSE Listings Requirements
- reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures
- obtained an annual confirmation from the auditor that their independence was not impaired
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide, split between permitted, permissible and prohibited services
- approved non-audit services that were conducted by BDO South Africa Inc

Audit and Risk Committee Report

Execution of functions during the year (continued)

- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor
- obtained assurances from the external auditor that adequate accounting records were being maintained by the company and its subsidiaries
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005
- considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment.

3.2. Internal audit

The committee:

- re-appointed Nexia SAB&T as the group's internal auditors
- reviewed and approved the existing Internal Audit Charter which ensures that the internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to perform their duties
- noted that the head of internal audit function is not a member of the Executive Committee, but attends meetings by invitation from time to time
- ensured that internal audit had direct access to the committee, primarily through the committee's Chairman
- reviewed and approved the annual internal audit plan, ensuring that the material risk areas were included
- considered the reports of the internal auditor on the Group's system of internal control including financial controls, business risk management and maintenance of effective internal control systems
- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

3.3. Adequacy and functioning of the Group's internal controls

The committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and maintenance of effective material control systems.

3.4. Financial reporting

The Audit and Risk Committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of the Group. This covers the annual financial statements, integrated annual report, interim and preliminary reporting.

The committee among other matters:

- confirmed the going concern as the basis of preparation of the interim and annual financial statements
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate
- examined and reviewed the interim and annual financial statements, as well as all financial information disclosed prior to the submission to the Board for their approval and then for disclosure to stakeholders
- oversaw that the annual financial statements fairly present the financial position of the company and of the Group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the Group was determined to be a going concern
- considered the appropriateness of the accounting policies adopted and changes thereto





Audit and Risk Committee Report

Execution of functions during the year (continued)

- reviewed the external auditor's audit report and key audit matters included
- reviewed the representation letter relating to the financial statements which was signed by management
- considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- considered accounting treatments, significant unusual transactions, and accounting judgements (refer to note 1.2)
- considered the 2024 JSE Report on Proactive Monitoring, issued 7 November 2024, and has taken appropriate action to ensure its findings were applied, where appropriate

3.5. Significant areas of judgement

In arriving at the figures disclosed in the financial statements there are many areas where judgement is needed. These are outlined in the critical accounting estimates and judgements in the accounting policies to the financial statements. The Audit and Risk Committee has looked at the quantum of the assets and liabilities on the statements of financial position and other items that require significant judgement and decided to note the following:

- Inventory valuation in terms of obsolescence:

The net realisable value of each individual inventory item is subject to high levels of judgement and estimation uncertainty. The Audit and Risk Committee considered management's inventory valuation in terms of obsolescence and considered it to be acceptable.

3.6. Risk management

The committee:

- oversaw the management of risks as per the risk management register
- received quarterly updates in terms of changes in risk ratings
- monitored complaints received via the Group's whistle-blowing service
- approved the Group's Risk, Compliance and Governance strategy
- reviewed and recommended to the Board for approval the Risk Management Policy and Plan as well as the combined assurance model.

3.7. Information technology

The committee:

- monitored the value delivery on IT and monitored the return on investments on significant IT projects
- monitored that intellectual property contained in information systems is protected
- monitored that adequate business arrangements are in place for disaster recovery
- monitored that all personal information is treated by the company as an important business asset and is identified
- reviewed and recommended to the Board for approval any policies proposed by management and relevant to the areas of responsibility of the committee.

Audit and Risk Committee Report

Execution of functions during the year (continued)

3.8. Legal and regulatory requirements

To the extent that these may have an impact on the annual financial statements, the committee:

- reviewed legal matters that could have a material impact on the Group
- reviewed the adequacy and effectiveness of the Group's procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities
- considered reports provided by management, internal audit and the external auditors regarding compliance with legal and regulatory requirements
- ensured that the Group has a complete and current compliance universe in place and is being maintained.

4. Expertise and experience of financial director and the financial function

As required by 3.84(h) of the JSE Limited Listings Requirements, the committee has satisfied itself that the Group financial director during the period, Shabana Aboo Baker Ebrahim, has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the Group's requirements.

The Audit and Risk Committee also considered the implementation of section 3.84(k) and instructed the internal auditors to ensure that all the relevant internal audit controls are in place to sign off as per the statement of section 3.84(k).

5. Election of committee at the annual general meeting

Pursuant to the provisions of section 94(2) of the Companies Act, which requires that a public company must elect an audit committee at each annual general meeting, it is proposed in the notice of annual general meeting to be held on 20 November 2025 that Pamella Marlowe, Shelley Thomas and Ralph Patmore be re-appointed as members of the Audit and Risk Committee until the next annual general meeting in 2026.

6. Assessment of the committee

The committee conducted a condensed self-assessment to identify the focus areas for the committee. The overall conclusion was that the committee's performance was satisfactory. Feedback on the 2025 focus areas is as follows:

Focus Area	Measurement	Achieved	Comment
Finalise and implement the IT strategy framework	<ul style="list-style-type: none"> • Finalise the IT strategy framework • Implement the IT strategic objectives per entity for FY25 	✓ see comment	<ul style="list-style-type: none"> • The IT strategy framework was finalised and presented to the committee. IT strategic objectives for both Mustek and Rectron have been determined and progress updates provided to the IT steering committee. Certain objectives have been put on hold due to budget constraints or dependencies
Improve working capital and cash generated from operations	<ul style="list-style-type: none"> • Cash flow conversion targets 	✓	<ul style="list-style-type: none"> • Significant improvements were made on working capital in absolute terms. Year-on-year improvements included reductions in inventory by R602 million and other trade receivables by R137 million. • Cash generated from operations improved from R60.7 million in FY24 to R687.4 million in the current year • The result has been a measurable uplift in cash availability, greater financial flexibility, and a healthier liquidity position—laying the foundation for sustainable operations and future growth



Audit and Risk Committee Report

6. Assessment of the committee (continued)

Focus Area	Measurement	Achieved	Comment
Improve combined assurance	<ul style="list-style-type: none"> Update combined assurance policy Formalise a process for combined assurance reporting 	✓	<ul style="list-style-type: none"> Working capital improvements were made during the current year however targets set were not achieved. This will remain part of the focus areas for the 2025 financial year
Ensure adequate controls are put in place over the planned Epicor upgrade	<ul style="list-style-type: none"> Perform a comprehensive risk assessment process on the impact of the upgrade Controls that are put into place should cover people (change management), processes (data protection, business continuity) and technology 	✗ see comment	<ul style="list-style-type: none"> The Epicor upgrade process has not started

The following focus areas for the 2026 financial year were identified for monitoring by the Committee:

- Cybersecurity trends and related governance;
- Robustness of current business continuity processes across the Group; and
- Maturing the Group's risk management function through combined assurance reporting;

7. Integrated annual report

Following the review by the committee of the consolidated and separate annual financial statements of Mustek Limited for the year ended 30 June 2025, the committee is of the view that in all material aspects they comply with the relevant provisions of the Companies Act and IFRS® Accounting Standards and fairly present the consolidated and separate financial positions at that date and the results of operations and cashflows for the year then ended.

The committee has also satisfied itself of the integrity of the integrated annual report and the sustainability information reported therein to be posted to shareholders around mid October 2025.

8. Recommendation of the annual financial statements for approval by the board

Having achieved its objectives, the committee has recommended the annual financial statements for the year ended 30 June 2025 for approval to the Board.

The Board has subsequently approved the reports, which will be open for discussion at the forthcoming annual general meeting.

Pamella Marlowe

Chairman Audit and Risk Committee

19 September 2025

Directors' Report

The directors present their report on the financial statements of Mustek Limited and the group for the year ended 30 June 2025.

1. Review of financial results and activities

Mustek Limited is a company incorporated in South Africa and listed on the JSE Limited. The Mustek Group is a seamless technology solutions provider and operates through a network of synergistic companies across the core areas of distribution, manufacturing, training and services. The Group's profit before taxation is R46.8 million (2024: R40.2 million).

Mustek's 2025 financial year unfolded in a context of considerable complexity and pressure. On one hand, global demand for digital technologies remained strong. On the other, South Africa continued to grapple with economic stagnation, high unemployment, public sector bottlenecks and persistent infrastructure failures. This duality shaped the Group's approach to managing risk, identifying opportunities and delivering resilient performance.

We are encouraged by the current year improvement in working capital, net finance costs and cash generated from operations, which is a result of our efforts to enhance liquidity and strengthen our financial position despite the difficult trading conditions.

We head into the new financial year with cautious optimism. The market remains complex, but the opportunities are real and potentially significant. With a sharpened cost base, a more focused portfolio and an active pipeline, Mustek is ready to execute and continue delivering trusted technology for real-world impact.

Full details of the financial position, results of operations and cash flows of the group and company are set out in these consolidated and separate financial statements. Any forward looking statement has not been reported on nor reviewed by external auditors. The Group confirms that it has adopted HEPS and EPS as a measure for its trading statement.

2. Share capital

	2025	2024
	Number of shares	
Authorised		
Ordinary shares	250 000 000	250 000 000
Issued		
Ordinary shares	54 131 857	54 131 857
Treasury Shares	3 408 143	3 408 143
Ordinary shares in issue	57 540 000	57 540 000

The authorised and issued share capital of the company is detailed in note 23 to the financial statements.

3. Shareholder's spread

At 30 June 2025, insofar as is known, the following shareholders beneficially held more than 5% of the issued share capital of Mustek Limited:

Shareholding - ordinary shares in issue (Including treasury shares)	Number of shares	% shares in issue
Novus Packaging (Pty) Ltd	22 967 252	39.9 %
DK Trust	9 532 442	16.6 %
Mustek Executive Share Trust	3 408 143	5.9 %
Government employees pension fund	3 251 863	5.7 %
	39 159 700	68.1 %



Directors' Report

3. Shareholder's spread (continued)

2025	Number of shareholders	%	Number of shares	% of shares in issue
1 - 5000	3 889	94.5 %	1 295 740	2.4 %
5001 - 10 000	101	2.4 %	789 936	1.5 %
10 001 - 50 000	77	1.9 %	1 841 716	3.4 %
50 001 - 100 000	15	0.4 %	1 087 247	2.0 %
100 001 - 1 000 000	20	0.5 %	4 806 538	8.9 %
Over 1 000 000	11	0.3 %	44 310 680	81.8 %
	4 113	100.0 %	54 131 857	100.0 %

Public / non-public shareholders	Number of shareholders	%	Number of shares	% of shares in issue
Non-public shareholders (excluding treasury shares)				
Directors of the company (refer to note 32)	2	- %	2 638 743	4.9 %
Trusts with directors as trustees (DK Trust)	1	- %	9 532 442	17.6 %
Public shareholders	4 110	100.0 %	41 960 672	77.5 %
	4 113	100.0 %	54 131 857	100.0 %

At 30 June 2024, insofar as is known, the following shareholders beneficially held more than 5% of the issued share capital of Mustek Limited:

Shareholding - ordinary shares in issue (Including treasury shares)	Number of shares	% shares in issue
DK Trust	9 532 442	16.6 %
Old Mutual Life Assurance Company SA Limited	6 533 171	11.4 %
Standard Bank Group Limited	5 211 472	9.1 %
Mustek Electronics Properties Proprietary Limited	3 685 605	6.4 %
Government employees pension fund	3 271 925	5.7 %
	28 234 615	49.2 %

2024	Number of shareholders	%	Number of shares	% of shares in issue
1 - 5000	4 097	93.1 %	1 483 019	2.7 %
5001 - 10 000	123	2.8 %	958 281	1.8 %
10 001 - 50 000	116	2.6 %	2 482 241	4.6 %
50 001 - 100 000	24	0.6 %	1 689 952	3.1 %
100 001 - 1 000 000	27	0.6 %	7 619 504	14.1 %
Over 1 000 000	13	0.3 %	39 898 860	73.7 %
	4 400	100.0 %	54 131 857	100.0 %

Public / non-public shareholders	Number of shareholders	%	Number of shares	% of shares in issue
Non-public shareholders (excluding treasury shares)				
Directors of the company (refer to note 32)	2	- %	2 638 743	4.9 %
Trusts with directors as trustees (DK Trust)	1	- %	9 532 442	17.6 %
Public shareholders	4 397	100.0 %	41 960 672	77.5 %
	4 400	100.0 %	54 131 857	100.0 %

Directors' Report

4. Authority to buy back shares

At the AGM held on 21 November 2024, a special resolution was passed, granting Mustek's directors a general authority to acquire its own shares. Mustek has not acquired any of its ordinary share capital in the current financial year.

As of 30 June 2025, the Group held 3 408 143 shares of its own shares (through the Mustek Executive Share Trust) as treasury shares, which were acquired at an aggregate cost of R28.8 million. These shares are recorded at cost and are presented as a deduction from equity in the consolidated statement of financial position.

5. Dividends

The company's dividend policy is to consider a final dividend in respect of each financial year in conjunction with an evaluation of current and future funding requirements and opportunities to repurchase shares. It will be adjusted to levels considered appropriate at the time of declaration. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

A final dividend of 7.5 cents per ordinary share was declared on 19 September 2024 and paid on 14 October 2024. During the previous financial year, a final dividend of 77 cents per ordinary share was declared on 19 September 2023 and paid on 16 October 2023.

Refer to note 23 for further disclosures.

A gross final dividend of 13.75 cents per ordinary share for the year ended 30 June 2025 is declared, payable to shareholders recorded in the books of the company at the close of business on the record date appearing below. This dividend is declared out of income reserves. The company's income tax reference number is 9550081716 and the company has 57 540 000 ordinary shares in issue and ranking for dividend at the date of this declaration. The South African dividend tax rate is 20% resulting in a net dividend of 11.0 cents per share to shareholders who are not tax exempt.

Dividend declaration date	19 September 2025
Last day of trade cum dividend	7 October 2025
First day to trade ex-dividend	8 October 2025
Record date	10 October 2025
Payment date	13 October 2025

No share certificates may be dematerialised or rematerialised between Wednesday, 8 October 2025 and Friday, 10 October 2025, both days inclusive.

6. Directorate

The directors in office during the year and at the date of this report are as follows:

Directors	Office	Designation
I Mophatlane	Chairman	Non-executive Independent
PM Marlowe		Non-executive Independent
RB Patmore		Non-executive Independent
S Thomas		Non-executive Independent
H Engelbrecht	Chief Executive Officer	Executive
CJ Coetzee	Managing Director	Executive
S Aboo Baker Ebrahim	Finance Director	Executive

There have been no changes to the directorate during the year to the date of this report.





Directors' Report

7. Investments in subsidiaries, associates and other loans

The following matters are highlighted with regards to the investments in and loans to subsidiaries, associates and other loans (refer to notes 16, 17 and 18 to the financial statements for more information) :

Cyberantix Proprietary Limited:

Effective 12 September 2024 Mustek purchased a 70% equity-interest in CyberAntix (Pty) Limited for R8 million. CyberAntix is a SOCaas (Security Operations Centre-as-a-Service) company. It offers state-of-the-art implementation of managed cybersecurity services, focusing on managed detection and response with associated advanced services (proactive hunting, forensics code reviews, vulnerability assessments). Cyberantix has positively contributed to the Group's results for the year ended 30 June 2025. Refer to note 37.

Zaloserve Proprietary Limited:

The Group's investment in Zaloserve Proprietary Limited was sold on 01 October 2024 for R15 million. Refer to note 36.

8. Special resolutions

During the current financial year, the following special resolutions were passed by the company's shareholders:

- A general authority was given to the board to repurchase shares in the company subject to the requirements of the Companies Act of South Africa. This authority was given in terms of a special resolution passed at the AGM held on Thursday, 21 November 2024.
- With effect from 21 November 2024, approving the remuneration payable to non-executive directors applicable for a period of twelve months.
- In accordance with section 45 of the Companies Act, the provision of any financial assistance by the Company to any Company or corporation which is related or inter-related to the Company (as defined in the Companies Act), on the terms and conditions which the directors of Mustek may determine.

9. Events after the reporting period

- Effective 01 August 2025, Mustek acquired a 51% equity interest in a newly incorporated entity, Business AI (Pty) Limited. Business AI is developing a dedicated B2B marketplace portal for artificial intelligence, providing enterprises with a single, trusted environment to access vetted AI vendors, products, platforms, solution providers and data centers. This accredited portal model ensures that businesses can adopt AI with confidence, knowing that each listing has been reviewed for quality, relevance, and security before becoming accessible.
- Post year end management committed to a plan to dispose of its Investment Property held in Kenya (refer note 12). The property is being actively marketed, and the property is now classified as held for sale. The property was transferred to held for sale on 24 July 2025 at its carrying value.
- Effective 29 August 2025, Brotek (Pty) Ltd entered into a term loan facility with Nedbank. The value of the facility is R50 million and the term is five years. The interest rate applicable to the facility is JIBAR + 2.51%. The facility is secured by properties with a carrying amount of R64.3 million.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report that requires adjustment to or disclosure in the annual financial statements. Refer to note 35 of the financial statements.

Directors' Report

10. Corporate activity

On 15 November 2024 Mustek Shareholders were referred to the Firm Intention Announcement, in which the following information was disclosed:

- Novus Holdings Limited ("Novus"), together with the Novus Concert Parties, collectively acquired the beneficial ownership of more than 35% of the issued Mustek Shares.
- Accordingly, given that Novus beneficially holds more than 35% of the Issued Share Capital, Novus made a mandatory offer in terms of section 123 of the Companies Act (read with section 117 of the Companies Act).
- Novus and Mustek issued a joint circular on 30 May 2025 which:
 - sets out the terms on which Novus makes the Offer to the Mustek Shareholders to purchase all of their Mustek Shares;
 - provides the Mustek Shareholders with information on Mustek and Novus; and
 - informs Mustek Shareholders of the manner in which the Offer may be accepted by them and the manner in which the Offer will be implemented.

At the date of this report, Novus has not received a certificate of compliance from the Takeover Regulation Panel in relation to this mandatory offer. Novus, as the offeror, cannot proceed to implement or give effect to the Mandatory Offer; until such time as the (TRP) has issued a compliance certificate.

11. Legal disputes

There are 2 separate pending CCMA arbitration cases against Mustek Limited to the value of R9.8 million and R28.7 million respectively. Both cases are under review in the labour court of South Africa.

The group and company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

Save as recorded above, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened that may have a material effect on the financial position of the Group and company. Refer to note 30 of the financial statements.

12. Auditors

BDO South Africa Incorporated continued in office as auditors for the company and its major subsidiaries for 2025.

At the AGM, the shareholders will be requested to reappoint BDO South Africa Incorporated as the independent external auditors of the company and to confirm Ms V Pretorius as the designated lead audit partner for the 2026 financial year.

13. Secretary

The company secretary is Sirkien Van Schalkwyk.



Statements of Comprehensive Income

	Note(s)	Group		Company	
		Restated*		2025 R '000	2024 R '000
		2025 R '000	2024 R '000		
Revenue	4	7 183 089	8 449 292	4 865 313	5 768 059
Cost of sales		(6 225 210)	(7 417 165)	(4 317 480)	(5 115 546)
Gross profit		957 879	1 032 127	547 833	652 513
Foreign currency gains (losses)	6	9 976	32 252	13 768	8 410
Expected credit loss on trade receivables	20	(24 007)	(25 265)	(9 507)	(9 853)
Operating expenses		(764 327)	(760 594)	(469 434)	(480 637)
Operating profit	6	179 521	278 520	82 660	170 433
Investment income	7	15 579	14 356	49 467	68 014
Finance costs	8	(154 109)	(220 066)	(106 400)	(145 259)
Reversal of impairment of subsidiary loans	16	-	-	7 175	-
Impairment of investment in subsidiary	16	-	-	(12 898)	(23 046)
Impairment of investment in associate	17	-	(13 743)	-	-
Profit /(losses) from equity accounted investments	17	6 316	(19 359)	-	-
Other non-operating (losses)/gains	9	(482)	450	(2 789)	5 931
Profit before taxation		46 825	40 158	17 215	76 073
Income tax expense	10	(7 130)	(18 761)	5 654	(9 726)
Profit for the year		39 695	21 397	22 869	66 347
Other comprehensive income:					
Items that will be reclassified to profit or loss:					
Exchange differences on translating foreign operations		2 611	(325)	-	-
Exchange differences recycled to profit or loss on liquidation of foreign subsidiary		-	782	-	-
Total items that may be reclassified to profit or loss		2 611	457	-	-
Other comprehensive income for the year net of taxation		2 611	457	-	-
Total comprehensive income for the year		42 306	21 854	22 869	66 347
Profit attributable to:					
Owners of the parent		38 820	21 397	22 869	66 347
Non-controlling interest		875	-	-	-
		39 695	21 397	22 869	66 347
Total comprehensive income attributable to:					
Owners of the parent		41 431	21 854	22 869	66 347
Non-controlling interest		875	-	-	-
		42 306	21 854	22 869	66 347
Earnings per share					
Basic earnings per ordinary share (cents)	23	71.71	37.31	-	-
Diluted earnings per ordinary share (cents)	23	71.71	37.31	-	-

* Refer to note 38

Statements of Financial Position

	Note(s)	Group 2025 R '000	2024 R '000	Company 2025 R '000	2024 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	11	229 804	247 775	57 575	69 594
Right-of-use assets	13	80 394	96 457	82 178	109 214
Investment property	12	9 470	9 883	-	-
Goodwill	14	51 023	43 345	-	-
Intangible assets	15	97 925	110 865	93 907	106 876
Investments in subsidiaries	16	-	-	268 720	266 772
Investment in associates	17	90 259	83 943	52 416	52 417
Other loans	18	15 042	10 605	35 512	34 026
Deferred tax	10	28 808	25 828	23 221	17 567
		602 725	628 701	613 529	656 466
Current Assets					
Inventories	19	1 749 665	2 352 401	1 052 581	1 501 406
Trade and other receivables	20	1 435 970	1 572 740	1 050 567	1 226 336
Contract assets	5	14 779	8 467	3 663	6 803
Foreign currency assets	27	734	411	568	181
Current tax receivable	34	7 377	7 442	6 529	3 401
Cash and cash equivalents	21	225 675	303 596	64 078	105 917
		3 434 200	4 245 057	2 177 986	2 844 044
Non-current assets held for sale	36	-	15 000	-	-
Total Assets		4 036 925	4 888 758	2 791 515	3 500 510
Equity and Liabilities					
Equity					
Share capital	23	-	-	-	-
Foreign currency translation reserve		7 939	5 328	-	-
Retained earnings		1 545 490	1 510 986	1 051 569	1 033 016
Equity attributable to equity holders of the parent		1 553 429	1 516 314	1 051 569	1 033 016
Non-controlling interest		1 070	-	-	-
		1 554 499	1 516 314	1 051 569	1 033 016
Liabilities					
Non-Current Liabilities					
Borrowings and other liabilities	24	1 884	272	1 884	202
Contract liabilities	5	16 853	23 201	16 854	23 201
Lease liabilities	13	63 957	79 191	70 422	97 436
Deferred tax	10	4 419	3 760	-	-
		87 113	106 424	89 160	120 839
Current Liabilities					
Trade and other payables	26	2 287 879	2 542 189	1 492 369	1 538 513
Loans from subsidiaries	16	-	-	96 203	136 828
Borrowings and other liabilities	24	30 197	32 720	-	-
Foreign currency liabilities	27	15 021	19 154	5 675	13 123
Lease liabilities	13	27 123	23 609	29 297	25 883
Contract liabilities	5	24 984	39 013	22 560	32 696
Current tax payable	34	4 387	9 378	-	-
Bank overdraft	24	5 722	599 957	4 682	599 612
		2 395 313	3 266 020	1 650 786	2 346 655
Total Liabilities		2 482 426	3 372 444	1 739 946	2 467 494
Total Equity and Liabilities		4 036 925	4 888 758	2 791 515	3 500 510



Statement of Changes in Equity

Group	Share capital (note 23) R '000	Foreign currency translation reserve R '000	Retained earnings R '000	Total attributable to equity holders of the parent R '000	Non- controlling interest R '000	Total equity R '000
Balance at 01 July 2023	-	4 871	1 562 726	1 567 597	-	1 567 597
Profit for the year	-	-	21 397	21 397	-	21 397
Other comprehensive income	-	457	-	457	-	457
Total comprehensive income for the year	-	457	21 397	21 854	-	21 854
Treasury shares (note 23)	-	-	(28 831)	(28 831)	-	(28 831)
Dividends (note 23)	-	-	(44 306)	(44 306)	-	(44 306)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(73 137)	(73 137)	-	(73 137)
Balance at 30 June 2024	-	5 328	1 510 986	1 516 314	-	1 516 314
Profit for the year	-	-	38 820	38 820	875	39 695
Other comprehensive income	-	2 611	-	2 611	-	2 611
Total comprehensive income for the year	-	2 611	38 820	41 431	875	42 306
Acquisition of subsidiary (note 37)	-	-	-	-	195	195
Dividends (note 23)	-	-	(4 316)	(4 316)	-	(4 316)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(4 316)	(4 316)	195	(4 121)
Balance at 30 June 2025	-	7 939	1 545 490	1 553 429	1 070	1 554 499

Company	Share capital (note 23) R '000	Retained earnings R '000	Total attributable to equity holders of the parent R '000	Non- controlling interest R '000	Total equity R '000
Balance at 01 July 2023	-	1 010 975	1 010 975	-	1 010 975
Profit for the year	-	66 347	66 347	-	66 347
Total comprehensive income for the year	-	66 347	66 347	-	66 347
Dividends (note 23)	-	(44 306)	(44 306)	-	(44 306)
Total contributions by and distributions to owners of company recognised directly in equity	-	(44 306)	(44 306)	-	(44 306)
Balance at 30 June 2024	-	1 033 016	1 033 016	-	1 033 016
Profit for the year	-	22 869	22 869	-	22 869
Total comprehensive income for the year	-	22 869	22 869	-	22 869
Dividends (note 23)	-	(4 316)	(4 316)	-	(4 316)
Total contributions by and distributions to owners of company recognised directly in equity	-	(4 316)	(4 316)	-	(4 316)
Balance at 30 June 2025	-	1 051 569	1 051 569	-	1 051 569

Statement of Cash Flows

	Note(s)	Group		Company	
		2025 R '000	2024 R '000	2025 R '000	2024 R '000
Cash flows from operating activities					
Cash receipts from customers		7 278 191	8 737 072	4 949 775	5 810 702
Cash paid to suppliers and employees		(6 590 815)	(8 676 383)	(4 332 046)	(5 777 106)
Cash generated from operations	22	687 376	60 689	617 729	33 596
Interest income	7	15 579	14 356	5 522	3 566
Dividends received	7	-	-	65 764	12 297
Finance costs	8	(154 109)	(220 066)	(102 795)	(141 819)
Dividends paid		(4 316)	(44 306)	(4 316)	(44 306)
Tax paid	34	(14 863)	(14 124)	(3 128)	(11 049)
Net cash generated from (used in) operating activities		529 667	(203 451)	578 776	(147 715)
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(6 664)	(35 437)	(1 027)	(11 696)
Sale/recoupmment of property, plant and equipment	11	20	26 556	-	640
Purchases of intangible assets	15	(1 243)	(7 631)	(1 016)	(7 078)
Loans repaid by subsidiaries	16&37	-	-	3 940	1 522
Acquisition of subsidiary	37	1 063	-	-	-
Proceeds from non-current asset held for sale	36	15 000	-	-	-
Capital contribution to associate	17	-	(15 060)	-	(15 060)
Receipts from other loans	18	5 185	2 762	8 831	2 068
Net cash generated from (used in) investing activities		13 361	(28 810)	10 728	(29 604)
Cash flows from financing activities					
Loans received from subsidiaries	25	-	-	24 167	2 000
Repayment of loans from subsidiaries		-	-	(34 395)	-
Repayments of borrowings	24&25	(2 523)	(2 274)	-	(889)
Proceeds from bank overdraft	25	-	218 479	-	218 613
Capital repayment of lease liabilities	13&25	(24 191)	(29 606)	(26 185)	(29 579)
Repayment of bank overdraft	25	(594 235)	-	(594 930)	-
Net cash (used in) from generated from financing activities		(620 949)	186 599	(631 343)	190 145
Total cash movement for the year		(77 921)	(45 662)	(41 839)	12 826
Cash and cash equivalents at the beginning of the year		303 596	349 258	105 917	93 091
Cash and cash equivalents at the end of the year	21	225 675	303 596	64 078	105 917



Accounting Policies

1. Material accounting policies

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below and in the relevant notes.

1.1. Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRIC® interpretations issued and effective at the time of preparing these financial statements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the Companies Act of South Africa as amended.

These financial statements comply with the requirements of the SA Financial Reporting requirements per section 8.60 of the JSE Listings Requirements.

The consolidated and separate financial statements have been prepared on the historic cost basis except for the revaluation of certain financial instruments (refer note 27). The principal accounting policies are set out in the related notes to the consolidated and separate financial statements and are presented in South African Rand which is the group and company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The following are the estimates, that the directors have made in the process of applying the entity's accounting policies, that have the most significant effect on the amounts recognised in financial statements.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are listed below and described in more detail in each of the corresponding notes:

Expected credit loss allowances for trade receivables (refer note 20)

The impairment allowances for financial assets are based on assumptions about risk of default and expected loss rates. For details of the key assumptions and inputs used refer to note 20.

Allowance for slow moving, damaged and obsolete inventory (refer note 19)

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Estimation uncertainty arises in the determination of net realisable value taking into account costs to sell. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Goodwill impairment assessment (refer note 14)

The group annually reviews and tests the carrying value of goodwill against the recoverable amount of the cash generating unit to which the goodwill belongs. The value in use calculations require the use of estimates and assumptions such as appropriate discount rates, working capital rate, operating profit margin and growth rates.

Accounting Policies

1. Material accounting policies (continued)
- 1.2. Significant judgements and sources of estimation uncertainty

Determining the lease term (refer note 13)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the determination of the lease term and that is within the control of the lessee. During the current financial year, there were no leases that were extended.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Revenue recognition - Principal vs agent (see note 4)

Under IFRS 15, Revenue from Contracts with Customers, when recognising revenue, the Group is required to assess whether its role in satisfying its various performance obligations is to provide the goods or services itself (in which case it is considered to be acting as principal) or to arrange for a third party to provide the goods or services (in which case it is considered to be acting as an agent).

To determine the nature of its obligation, the group:

- (a) Identifies the specified goods or services to be provided to the customer (which, for example, could be a right to a good or service to be provided by another party).
- (b) Assesses whether it controls each specified good or service before that good or service is transferred to the customer. However, the nature of these products and services means that a purely control-based assessment does not always lead to a clear conclusion. Consequently, the Group additionally considers the other characteristics of principal set out in IFRS 15. These include whether the Group has primary responsibility for fulfilling the contractual promises made to the customer, whether the Group assumes inventory risk and whether the Group has discretion in establishing the selling price.

The Group has identified the below revenue streams within its revenue recognition policy where judgment has been applied as to whether the group is acting as a principle or an agent.

1. For indirect licence sales related to cloud services the Group is considered to be acting as agent. This is because cloud services require the significant ongoing involvement of the software vendor. The Group does not control the service prior to it being passed to the customer as it is provided as a service delivered by the vendor. Any technical and administrative services provided by the Group are critically dependent on, and so inseparable from, the service provided by the vendor. The Group's role is to arrange for the cloud service to be provided by another party although the vendor invoices the Group and the Group then invoices the customer. Where it is considered to be acting as agent, the Group recognises revenue at the amount of any fee or commission to which it expects to be entitled or the net amount of consideration that it retains after paying the other party.
2. For software sales where the group does not control the software prior to it being passed to the customer, the Group is considered to be acting as an agent.
3. For all other indirect licence and software sales, the Group is considered to be acting as principal. This is because, unlike for cloud licences, the Group's performance obligation requires it to take responsibility for agreeing licence types and quantities with the customer in advance and for fulfilling the promise to provide those licences to the customer. If orders are not placed correctly with the manufacturer, resulting in incorrect licences being rejected by the customer, the Group remains liable to pay the manufacturer. Where licences are also accompanied by the right to software assurance benefits from the software vendor to the customer, the non-critical nature of the software updates means that the customer's ability to derive benefit from the software is not dependent on the continued involvement of the software vendor. Hence the Group is primarily responsible for fulfilling the contractual promise to provide the specified good or service to the customer, managing its delivery, and typically has responsibility for acceptability of the specified good or service. The Group assumes inventory risk in the event of customers not accepting incorrect licences and has discretion in establishing the prices of the goods and services. Group recognises revenue at the gross amount of consideration to which it expects to be entitled.



Accounting Policies

1. Material accounting policies (continued)

4. When the Group enters into contracts with customers to provide integrated solutions that include hardware and software elements the Group acts as a principal. Contracts are assessed individually to determine whether the products and services are distinct, i.e. the product or service is separately identifiable from the other promises in the contract with the customer and whether the customer can benefit from the goods or services either on its own or together with other resources that are readily available. The nature of the promised goods or services are inputs into a working solution and the customer does not derive value from the stand-alone goods and services.

The Group views these integrated solution arrangements, in some instances, as a single performance obligation that needs to be met as the goods and services are not separately identifiable, and the customer cannot benefit from either the goods or the services separately.

Translation of foreign currencies

Functional and presentation currency

The functional and presentation currency of all entities in the group is Rand, except for the foreign operations in Kenya and Taiwan.

Transactions in foreign currencies are initially recorded in the functional currency of the operation concerned at the exchange rate ruling at the date of the transaction.

All financial assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate ruling at the reporting date. Exchange differences arising on the settlement of transactions at rates different from those at the transaction date, and unrealised exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in profit or loss for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at the appropriate exchange rate at the reporting dates. The income and expenses of foreign operations are translated to Rand at exchange rates at the dates of the transactions.

Foreign currency differences relating to foreign operations are recognised directly in equity in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

2. New Standards and Interpretations

2.1. Standards and interpretations effective and adopted in the current year

In 2025, the group and company adopted all relevant new or amended accounting pronouncements issued by the IASB which included:

- IAS 7 Statement of Cashflows and IFRS 7 financial instruments (Amendment - possible additional disclosure for financing arrangements). The amendment requires entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The impact of the amendment was not material and resulted in additional disclosure (refer note 26).
- IAS 1 Presentation of financial statements (Amendment - Non-current liabilities with covenants). The amendment clarifies that if an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The impact of the amendment is not material.
- IAS 1 Presentation of financial statements (Amendment - classification of liabilities between current and non current). The amendment requires that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The impact of the amendment is not material.

Accounting Policies

2. New Standards and Interpretations

2.1. Standards and interpretations not yet effective

The group and company have chosen not to early adopt the following standards and interpretations, relevant to the company, which have been published and are mandatory for the group and company's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Amendment - Lack of Exchangeability) - assess when currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. 	01 January 2025	Unlikely there will be a material impact
<ul style="list-style-type: none"> IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (Amendment - Classification and Measurement of Financial Instruments).The Amendments modify the following requirements in IFRS 9 and IFRS 7: Derecognition of financial liabilities and classification of financial assets. 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Annual Improvements to IFRS Accounting material impact 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> IFRS 18 Presentation and Disclosure in Financial Statements - Changes to the statement of comprehensive income through 1) Introduction of three defined categories for income and expenses namely operating, investing and financing 2) disclosure of management defined performance measures. 	01 January 2026	Not expected to impact results but will result in a change in presentation of the statement of comprehensive income

The standards are expected to be adopted in the financial year that they become effective.



Accounting Policies

3. Segmental reporting

Business segments

The group has identified reportable segments which represent the structure used by the executive management and the board of directors to make key operating decisions and assess performance.

The group's reportable segments are operating segments which are differentiated by the activities that each undertake, products they distribute and markets they operate in.

For management purposes, the following represents the group's reportable segments:

Mustek: Assembly and distribution of computer products and peripherals, including Mecer-branded products, related services and managed cybersecurity services.

Rectron: Distribution of computer components and peripherals.

Mecer Inter -Ed ("MIE"): Training provider of accredited training programs.

Group: Includes investments in associates and other investments and loans. Refer to notes 17 and 18 for more information about their activities.

2025	Mustek R '000	Rectron R '000	MIE R '000	Group R '000	Elimination R '000	Total R '000
Revenue						
External sales	4 947 114	2 139 304	89 684	6 987	-	7 183 089
Inter-segment sales **	12 257	137 779	4 421	-	(154 457)	-
Total revenue	4 959 371	2 277 083	94 105	6 987	(154 457)	7 183 089
Segment results						
Cost of sales	(4 376 866)	(1 973 931)	(24 449)	-	150 036	(6 225 210)
Foreign currency gains / (losses)	14 538	(3 419)	(8)	-	(1 135)	9 976
Expected credit loss on trade receivables	(9 506)	(14 520)	(153)	-	172	(24 007)
Operating expenses excluding employee costs, depreciation and amortisation	(102 998)	(77 104)	(8 084)	(34 132)	6 091	(216 227)
Employee costs	(302 077)	(142 300)	(34 669)	-	-	(479 046)
EBITDA *	182 462	65 809	26 742	(27 145)	707	248 575
Depreciation and amortisation	(50 136)	(13 376)	(2 849)	(3 758)	1 065	(69 054)
Profit (loss) from operations	132 326	52 433	23 893	(30 903)	1 772	179 521
Investment income	4 434	8 411	219	48 566	(46 051)	15 579
Finance costs	(104 486)	(49 699)	(12)	-	88	(154 109)
Other non-operating gains (losses)	(449)	(989)	-	-	956	(482)
Gain from equity-accounted investments	-	-	-	6 316	-	6 316
Profit (loss) before tax	31 825	10 156	24 100	23 979	(43 235)	46 825
Income tax (expense) benefit	(4 869)	(3 227)	(6 469)	7 435	-	(7 130)
Profit (loss) for the year	26 956	6 929	17 631	31 414	(43 235)	39 695

Notes to the Financial Statements

3. Segmental reporting Business segments (continued)

2024	Mustek R '000	Rectron R '000	MIE R '000	Group R '000	Elimination R '000	Total R '000
Revenue *** restated						
External sales	5 771 761	2 591 042	77 522	8 967	-	8 449 292
Inter-segment sales **	54 668	188 182	7 612	-	(250 462)	-
Total revenue	5 826 429	2 779 224	85 134	8 967	(250 462)	8 449 292
Segment results						
Cost of sales *** restated	(5 162 544)	(2 470 764)	(26 707)	-	242 850	(7 417 165)
Foreign currency gains/(losses)	13 084	16 905	(11)	-	2 274	32 252
Expected credit loss on trade receivables	(9 963)	(15 460)	(4)	-	162	(25 265)
Operating expenses excluding employee costs, depreciation and amortisation	(117 978)	(75 379)	(7 224)	(18 321)	5 176	(213 726)
Employee costs	(296 906)	(144 480)	(34 781)	-	-	(476 167)
EBITDA *	252 122	90 046	16 407	(9 354)	-	349 221
Depreciation and amortisation	(56 511)	(12 403)	(4 632)	-	2 845	(70 701)
Profit (loss) from operations	195 611	77 643	11 775	(9 354)	2 845	278 520
Investment income	2 437	10 483	-	64 733	(63 297)	14 356
Finance costs	(142 766)	(77 457)	(93)	-	250	(220 066)
Impairment of investment in associate	-	-	-	(13 743)	-	(13 743)
Other non-operating gains (losses)	(1)	(203)	-	-	654	450
Loss from equity-accounted investments	-	-	-	(19 359)	-	(19 359)
Profit (loss) before tax	55 281	10 466	11 682	22 277	(59 548)	40 158
Income tax (expense) benefit	(17 716)	(1 616)	(2 400)	2 971	-	(18 761)
Profit (loss) for the year	37 565	8 850	9 282	25 248	(59 548)	21 397

* Earnings before interest, tax, depreciation and amortisation.

*** Prior year segmental revenue, cost of sales and operating expenses restated. Refer note 38 for details of the restatement.



Notes to the Financial Statements

3. Segmental reporting Business segments (continued)

2025	Mustek R '000	Rectron R '000	MIE R '000	Group R '000	Elimination R '000	Total R '000
Other information						
Capital expenditure	5 643	1 477	785	-	-	7 905
Assets						
Segment assets	2 607 023	1 245 772	43 374	66 066	(22 946)	3 939 289
Investment in associates	-	-	-	90 259	-	90 259
Current tax assets	7 377	-	-	-	-	7 377
Consolidated total assets	2 614 400	1 245 772	43 374	156 325	(22 946)	4 036 925
Liabilities						
Segment liabilities	1 707 356	798 728	6 709	-	(34 754)	2 478 039
Current tax liabilities	1 750	16	2 621	-	-	4 387
Consolidated total liabilities	1 709 106	798 744	9 330	-	(34 754)	2 482 426
Number of employees at year-end	701	349	62	-	-	1 112
2024	Mustek R '000	Rectron R '000	MIE R '000	Group R '000	Elimination R '000	Total R '000
Other information						
Capital expenditure	19 405	21 858	1 805	-	-	43 068
Assets						
Segment assets	3 198 497	1 511 669	55 252	70 001	(53 046)	4 782 373
Investment in associates	-	-	-	83 943	-	83 943
Non-current asset held for sale	-	-	-	15 000	-	15 000
Current tax asset	7 442	-	-	-	-	7 442
Consolidated total assets	3 205 939	1 511 669	55 252	168 944	(53 046)	4 888 758
Liabilities						
Segment liabilities	2 284 469	1 068 392	12 116	-	(1 911)	3 363 006
Current tax liabilities	5 478	3 178	722	-	-	9 378
Consolidated total liabilities	2 289 947	1 071 570	12 838	-	(1 911)	3 372 444
Number of employees at year-end	826	429	80	-	-	1 335

Notes to the Financial Statements

3. Segmental reporting Business segments (continued)

Geographical segments

	East Africa R '000	Taiwan R '000	South Africa R '000	Total R '000
2025				
Revenue	62 943	13 513	7 106 633	7 183 089
Profit before tax	2 239	635	43 951	46 825
Income tax benefit (expense)	(1 474)	1 345	(7 001)	(7 130)
Profit for the year	765	1 980	36 950	39 695
Other information				
Capital expenditure	835	110	6 960	7 905
Segment assets	90 274	81 398	3 857 876	4 029 548
Current tax assets	-	-	7 377	7 377
Consolidated total assets	90 274	81 398	3 865 253	4 036 925
2024	East Africa R '000	Taiwan R '000	South Africa R '000	Total R '000
Revenue *** restated	58 328	40	8 390 924	8 449 292
(Loss) profit before tax	8 567	7 514	24 077	40 158
Income tax expense	(2 570)	(2 430)	(13 761)	(18 761)
(Loss) profit for the year	5 997	5 084	10 316	21 397
Other information				
Capital expenditure	637	-	42 431	43 068
Segment assets	68 714	29 960	4 782 642	4 881 316
Current tax assets	-	-	7 442	7 442
Consolidated total assets	68 714	29 960	4 790 084	4 888 758

Refer to note 20 for a quantification of the Group and company's reliance on its largest customers.

*** Prior year segmental revenue restated. Refer note 38 for details of the restatement.



Notes to the Financial Statements

4. Revenue

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Revenue from contracts with customers				
Sale of goods	7 023 690	8 327 094	4 829 889	5 723 384
Rendering of services	159 399	122 198	35 424	44 675
	7 183 089	8 449 292	4 865 313	5 768 059

Disaggregation of revenue from contracts with customers

The group and company have assessed that the disaggregation of revenue by customer segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the chief operating decision makers (CODM) in order to evaluate the financial performance of the entity.

The group and company derive revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Sale of goods (revenue earned at a point in time)	7 023 690	8 327 094	4 829 889	5 723 384
Hardware sales*				
Dealers	4 558 260	4 988 282	2 756 184	3 029 943
Retailers	421 421	679 909	196 008	241 083
Public sector supplies	1 514 065	2 248 505	1 514 065	2 248 505
Export	408 971	275 826	295 216	130 898
	6 902 717	8 192 522	4 761 473	5 650 429
Software sales*				
Dealers	63 851	62 204	31 606	30 247
Retailers	3 938	2 412	245	179
Public sector supplies	29 287	32 653	29 287	34 746
Export	4 149	4 895	1 261	2 190
Agency software sales	19 748	32 408	6 017	5 593
	120 973	134 572	68 416	72 955
Rendering of services (revenue earned over time)				
Maintenance and support contracts - net of deferred revenue	25 416	32 161	25 416	31 918
Training contracts - net of deferred revenue	89 685	77 279	-	-
Managed cybersecurity services	30 896	-	-	-
	145 997	109 440	25 416	31 918
Rendering of services (revenue earned at a point in time)				
Repair services	13 402	12 758	10 008	12 757
Total revenue from contracts with customers	7 183 089	8 449 292	4 865 313	5 768 059

* Refer to note 38 for details of restatement.

Revenue is a combination of goods sold, additional warranties sold and service revenue. If upfront maintenance and support services sold relate to a period of more than 12 months, that portion is recognised as deferred revenue.

Notes to the Financial Statements

4. Revenue (continued)

Sale of goods

Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer. In most instances, the criteria for recognition of revenue are met when a proof of delivery document is signed. The receivable is recognised upon delivery or collection of goods.

As the period of time between customer payment and performance will always be one year or less, the company applies the practical expedient and does not adjust the promised amount of consideration for the effects of financing. The Group sells on credit with terms ranging from 30 days to 60 days but there is also an element of cash sales.

The following applies to the sales of goods:

1. Revenue is based on the price specified on the contract.
2. Discounts or rebates are in most instances applied upfront at the time of contract and the price discounted accordingly, except for certain customers where the discount is applied at the time of payment. Customers have long standing discount and rebate arrangements and revenue is recognised net of these discounts and rebates. Variable consideration is determined upfront.
3. Our returns policy states 14 days from date of purchase but Consumer Protection Act dictates maximum of 30 days if all return criteria are met. A refund liability and corresponding adjustment to revenue is recognised for expected returns. A contract asset is recognised for the goods to be returned (refer note 5).
4. Warranties are included with the sale of all our goods. The warranty period will vary, dependent on the product sold.

Revenue from services

Revenue for services consists of revenue for the repair of equipment where no supplier warranty exists for the product, as well as service contracts sold alongside equipment and technical installation services on full solution type sales. Revenue for repair services are recognised at a point in time and revenue from service contracts are recognised over time.

Revenue from a contract to provide services and/or maintenance is recognised on a straight line basis over the period of the contract. Services are provided evenly over the period of the contract.

Mecer Inter-Ed provides training solutions in the form of vendor authorised ICT training courses as well as learnerships and skills programs as an accredited training provider for various SETA's. Revenue is recognised over the period over which the relevant training course / program is delivered.

Cyberantix provides managed cybersecurity services including, penetration testing, incident identification and response. Revenue is recognised monthly on a straight line basis over the period of the contract as services are provided evenly over the period.

Revenue from software licenses and cloud solutions

Where it is considered to be acting as principal, the Group recognises revenue at the gross amount of consideration to which it expects to be entitled.

Where it is considered to be acting as agent, the Group recognises revenue at the amount of any fee or commission to which it expects to be entitled or the net amount of consideration that it retains after paying the other party.

Revenue on integrated solutions is recognised over time using the output method (i.e. value to the customer of the goods or services transferred to date relative to the remaining goods or services promised).



Notes to the Financial Statements

5. Contract assets and liabilities

	Group		Company	
	2025	2024	2025	2024
	R '000	R '000	R '000	R '000
Contract assets	14 779	8 467	3 663	6 803
Reconciliation of contract assets				
Opening balance	8 467	34 869	6 803	10 896
Transfers of contract assets to inventory	(8 467)	(34 869)	(6 803)	(10 896)
New contracts from hardware sales	5 455	8 467	3 663	6 803
Contract asset relating to commission	9 324	-	-	-
Closing balance	14 779	8 467	3 663	6 803

Contract assets relating to contracts from hardware sales are recognised to the extent that performance obligations have been performed by the group and that revenue has been recognised in accordance with IFRS 15 Revenue, but for which the group's right to consideration is not yet unconditional. When the right to consideration becomes unconditional, the contract asset is transferred to inventories.

Contract assets relating to commission is recognised in full on the date the underlying sale is concluded, which is the point at which the Group becomes entitled to the commission. This is notwithstanding that the customer may be invoiced for the related licence over an extended period. The recognition of commission revenue aligns with IFRS 15 – Revenue from Contracts with Customers, as the performance obligation is deemed to be satisfied at the point of sale.

Summary of contract liabilities

	Group		Company	
	2025	2024	2025	2024
	R '000	R '000	R '000	R '000
Deferred revenue - extended warranties	35 114	48 247	35 114	48 248
Deferred revenue - training contracts	409	4 429	-	-
Total deferred revenue	35 523	52 676	35 114	48 248
Expected refunds to customers	6 314	9 538	4 300	7 649
	41 837	62 214	39 414	55 897
Reconciliation of contract liabilities				
Opening balance	62 214	86 419	55 897	56 550
Deferred income recognised in revenue	(26 942)	(25 463)	(22 514)	(20 790)
Deferred revenue - extended warranties	9 380	28 849	9 380	28 849
Deferred revenue - training contracts	409	4 428	-	-
Expected discounts and rebates	-	(2 480)	-	(2 480)
Expected refunds to customers	(3 224)	(29 539)	(3 349)	(6 232)
Closing balance	41 837	62 214	39 414	55 897
Split between non-current and current portions				
Non-current liabilities	16 853	23 201	16 854	23 201
Current liabilities	24 984	39 013	22 560	32 696
	41 837	62 214	39 414	55 897

Notes to the Financial Statements

5. Contract assets and liabilities (continued)

Deferred revenue arises as a result of:

- Various extended warranty contracts are separately sold to customers together with certain products. The duration of these contracts varies between one and five years depending on the option the customer selected or the terms of the packages sold.
- Training courses and programs that are offered by Mecer Inter-Ed. The courses and programs are short term (less than 12 months).

The income is deferred and recognised as revenue on a straight line basis over the duration of the underlying service, maintenance contract or training program. The performance obligation is met proportionately after every month that passes.

Refunds - this relates to the estimated refunds that the Group expects to credit customers on goods returned within the return policy period.

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Deferred revenue maturity analysis				
Year 1	18 670	28 605	18 260	24 177
Year 2	10 174	14 896	10 175	14 896
Year 3	4 535	6 345	4 535	6 345
Year 4	1 741	2 154	1 741	2 154
Year 5	403	670	403	670
Onwards	-	6	-	6
	35 523	52 676	35 114	48 248

6. Profit from operations

Operating profit for the year is stated after taking the following into account, amongst others:

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Operating income				
Bad debts recovered	3 294	2 919	1 089	652
Rental income from investment property	12	3 176	3 604	-
	7 507	7 950	4 628	3 915
Auditor's remuneration - external				
External audit fees approved for BDO South Africa Incorporated	6 816	7 896	4 628	3 915
External audit fees other	649	-	-	-
Non audit services fees - external	42	54	-	-
	7 507	7 950	4 628	3 915
Leases				
Short term leases	69	76	69	76
Total lease expenses	69	76	69	76



Notes to the Financial Statements

6. Profit from operations (continued)

	Notes	Group		Company	
		2025 R '000	2024 R '000	2025 R '000	2024 R '000
Depreciation and amortisation					
Depreciation of investment property on the cost model	12	226	325	-	-
Depreciation of property, plant and equipment	11	25 264	23 118	12 788	12 950
Depreciation of right-of-use assets	13	28 503	30 784	29 621	31 316
Amortisation of intangible assets	15	15 061	16 474	13 985	15 648
Total depreciation and amortisation		69 054	70 701	56 394	59 914
Employee costs					
Employee costs		506 214	504 979	297 315	301 646
Retrenchment costs		4 128	-	2 545	-
Total	29	510 342	504 979	299 860	301 646
Write off of Goodwill	14	-	3 205	-	-
Loss on disposal / scrapping of intangible assets	15	-	5 153	-	-
Loss/(profit) on disposal / scrapping of property, plant and equipment	11	589	(3 537)	258	122
Foreign Exchange (gains)/losses					
Realised		(1 918)	(10 123)	(11 047)	6 506
Unrealised		(22 344)	(40 972)	(7 828)	(27 858)
Fair value adjustment - open forward exchange contracts	27	14 286	18 743	5 107	12 942
		(9 976)	(32 352)	(13 768)	(8 410)

7. Investment income

	Notes	Group		Company		
		2025 R '000	2024 R '000	2025 R '000	2024 R '000	
Dividend income						
Group entities:						
Dividends from subsidiaries		-	-	41 736	63 297	
Interest income						
Investments in financial assets:						
Bank balances		15 296	14 311	5 239	3 521	
Other		283	45	283	45	
Subsidiaries (non-cash)	16,31	-	-	2 209	1 151	
Total interest income		15 579	14 356	7 731	4 717	
Total investment income		15 579	14 356	49 467	68 014	

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate.

Notes to the Financial Statements

8. Finance costs

	Notes	Group		Company	
		2025 R '000	2024 R '000	2025 R '000	2024 R '000
Interest paid on bank overdraft		27 154	68 484	27 059	68 383
Interest paid on borrowings	24	3 605	3 440	-	-
Interest paid on lease liabilities	13	10 140	6 159	11 374	7 982
Interest paid on letters of credit and trade finance		113 210	141 983	64 362	65 454
Interest paid on loan from group companies (non- cash)	25,31	-	-	3 605	3 440
Total finance costs		154 109	220 066	106 400	145 259

9. Other non-operating (losses) gains

	Notes	Group		Company	
		2025 R '000	2024 R '000	2025 R '000	2024 R '000
Gains (losses) on disposals, scrappings or settlements					
Gains on deregistration of subsidiaries		-	1 460	-	3 419
Exchange differences reclassified to profit or loss on liquidation of foreign subsidiary		-	(782)	-	-
		-	678	-	3 419
Expected credit losses on					
Loans to subsidiaries	16	-	-	(2 307)	-
Other loans	18	(514)	(468)	(514)	(265)
		(514)	(468)	(2 821)	(265)
Reversal of expected credit losses on					
Loans to subsidiaries	16	-	-	-	2 754
Other loans	18	32	241	32	23
		32	241	32	2 777
Total other non-operating (losses) gains		(482)	451	(2 789)	5 931



Notes to the Financial Statements

10. Taxation

	Group 2025 R '000	2024 R '000	Company 2025 R '000	2024 R '000
Taxation				
South African normal tax expense (income)	6 950	13 584	(5 654)	9 726
Foreign tax	129	5 001	-	-
Withholding tax	51	176	-	-
	7 130	18 761	(5 654)	9 726
Comprising				
Normal current tax				
- Current year	12 315	5 960	-	-
- Prior year	(3 373)	302	-	289
Normal deferred tax				
Current year	(1 827)	12 322	(5 652)	9 437
- Prior year	(36)	-	(2)	-
Withholding tax	51	177	-	-
	7 130	18 761	(5 654)	9 726
The tax expense relates to the following tax jurisdictions:				
South African Revenue Service	7 002	13 760	(5 654)	9 726
Kenya Revenue Authority	1 473	2 431	-	-
Revenue Service Office, New Taipei City Government	(1 345)	2 570	-	-
	7 130	18 761	(5 654)	9 726
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Profit before tax	46 825	40 158	17 215	76 073
Applicable tax rate	27.0 %	27.0 %	27.0 %	27.0 %
Dividends received	- %	- %	(65.5)%	(22.5)%
Current tax prior year under/over provision	(7.2)%	0.8 %	- %	0.4 %
Deferred tax prior year under/over provision	(0.1)%	- %	- %	- %
Capital gains tax	- %	0.4 %	- %	0.9 %
Loan waiver	- %	- %	- %	(3.6)%
(Gain)/loss from associates already taxed	(3.6)%	13.0 %	- %	- %
Learnership agreement allowances	(1.6)%	(5.6)%	(2.8)%	(0.6)%
Expected credit losses on loans	- %	1.9 %	- %	1.0 %
Other non-taxable income	- %	(1.3)%	- %	- %
Disallowled expenses **	1.1 %	0.6 %	0.1 %	- %
Non-taxable income (ETI)	(0.8)%	(0.6)%	(0.8)%	(0.3)%
S12BA renewable energy deduction	- %	(2.9)%	- %	(0.1)%
Impairment of investment in associates/ subsidiaries	- %	9.2 %	- %	10.6 %
Write off of goodwill	- %	2.2 %	- %	- %
Foreign tax*	0.4 %	2.0 %	- %	- %
Impairment of investment in subsidiary	- %	- %	20.2 %	- %
Reversal of expected credit loss on subsidiary loans	- %	- %	(11.0)%	- %
	15.2 %	46.7 %	(32.8)%	12.8 %

Income tax expense represents the sum of the tax currently payable, deferred tax and withholding tax.

** Disallowed expenses relate mainly to interest in respect of taxes, expenses related to dividend income which is exempt and depreciation on land and leasehold improvements not deductible for tax.

Notes to the Financial Statements

10. Taxation (continued)

- * Foreign tax - tax rates between 20% - 30% are applied for foreign entities within the group. The applicable tax rate of 27% has been used for the group as majority of the group profit is from South Africa.

The tax effects of temporary differences of the company and subsidiary companies resulted in deferred tax assets and liabilities. The following are the major deferred tax liabilities and assets recognised at 27% (2024: 27%) except if otherwise indicated:

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Deferred tax liability				
Accelerated wear and tear for tax purposes	(28 645)	(26 173)	(15 587)	(13 045)
Right of use asset	(21 541)	(25 762)	(22 188)	(29 488)
Prepayments	(3 189)	(1 706)	(2 156)	(995)
Operating lease assets	(1)	(6)	(1)	(6)
Unrealised exchange gains or losses	(8 092)	(6 814)	(7 268)	(7 609)
Contract assets	(3 990)	(2 286)	(989)	(1 837)
Total deferred tax liability	(65 458)	(62 747)	(48 189)	(52 980)
Deferred tax asset				
Allowance for expected credit losses	16 335	16 476	7 336	9 069
Salary-related accruals / liabilities	11 792	11 317	6 927	6 866
Lease liabilities	24 350	27 389	26 930	33 302
Commission accruals	1 420	1 195	1 419	1 195
Other accruals	773	617	737	569
Deferred revenue	9 562	13 899	9 481	13 026
Contract liabilities	1 705	3 440	1 161	2 931
Tax losses available for set off against future taxable income	23 910	10 482	17 419	3 589
Total deferred tax asset	89 847	84 815	71 410	70 547
The deferred tax assets and the deferred tax liabilities that relate to income tax in the same entity have been offset in the statement of financial position as follows:				
Deferred tax liability	(4 419)	(3 760)	-	-
Deferred tax asset	28 808	25 828	23 221	17 567
Total net deferred tax asset	24 389	22 068	23 221	17 567



Notes to the Financial Statements

10. Taxation continued

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Reconciliation of deferred tax asset/(liability)				
At beginning of year	22 068	35 126	17 567	27 004
Taxable loss	13 428	10 482	13 829	3 589
Allowance for credit losses	(141)	6 658	(1 733)	(1 042)
Salary - related accruals	18	(20 391)	62	(8 804)
Accelerated wear and tear	(2 473)	(11 848)	(2 542)	(3 933)
Prepayments	(1 484)	(330)	(1 161)	13
Operating lease assets	6	(6)	5	22
Right-of-use asset	4 221	(9 159)	7 300	(8 519)
Lease liability	(3 039)	9 474	(6 372)	8 993
Commission accrual	225	(1 590)	224	(1 589)
Other accruals	156	(538)	168	(517)
Unrealised exchange gains and losses	(1 278)	3 808	341	557
Deferred revenue	(4 337)	1 770	(3 545)	2 175
Contract assets	(1 704)	4 186	848	(1 836)
Contract liabilities	(1 735)	(4 838)	(1 770)	1 454
Movement through the Statement of Comprehensive Income	1 863	(12 322)	5 654	(9 437)
Foreign currency translation reserve	316	(736)	-	-
Movement through equity	316	(736)	-	-
Deferred tax liability recognised on customer contracts (note 37)	(240)	-	-	-
Deferred tax asset acquired as part of a business combination (note 37)	382	-	-	-
	24 389	22 068	23 221	17 567

Recognition of deferred tax asset

The group and company recognises deferred tax assets as it is probable that taxable profit will be available against which deductible temporary differences can be utilised. The directors have assessed, based on budgeted expectation of future profits, that it is reasonable to assume that taxable income will be available to utilise the assessed losses of R85 million and R65 million for Group and company respectively. There are no unrecognised deferred tax assets.

11. Property, plant and equipment

	2025			2024		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Group						
Land and buildings	109 092	(4 111)	104 981	109 056	(3 594)	105 462
Plant and machinery	107 067	(50 189)	56 878	111 694	(49 472)	62 222
Furniture, fixtures and office equipment	54 733	(31 194)	23 539	62 629	(35 616)	27 013
Motor vehicles	15 901	(8 993)	6 908	15 686	(7 820)	7 866
Computer equipment	86 463	(70 844)	15 619	88 950	(65 719)	23 231
Leasehold improvements	52 271	(30 392)	21 879	64 055	(42 074)	21 981
Total	425 527	(195 723)	229 804	452 070	(204 295)	247 775

Notes to the Financial Statements

11. Property, plant and equipment (continued)

	2025			2024		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Company						
Land and buildings	784	-	784	784	-	784
Plant and machinery	46 978	(21 101)	25 877	52 320	(23 555)	28 765
Furniture, fixtures and office equipment	22 988	(8 629)	14 359	31 904	(15 375)	16 529
Motor vehicles	14 652	(8 079)	6 573	14 652	(7 011)	7 641
Computer equipment	57 190	(47 208)	9 982	57 151	(41 276)	15 875
Leasehold improvements	2 407	(2 407)	-	16 038	(16 038)	-
Total	144 999	(87 424)	57 575	172 849	(103 255)	69 594

Reconciliation of property, plant and equipment

	Opening balance R'000	Additions through business combina- tions R'000			Foreign exchange move- ments R'000		Deprecia- tion R'000	Total R'000
		Additions R'000	Disposals R'000	Transfers R'000				
Group – 2025								
Land and buildings	105 462	36	-	-	-	-	(517)	104 981
Plant and machinery	62 222	253	-	(120)	475	1	(5 953)	56 878
Furniture, fixtures and office equipment	27 013	993	282	(70)	-	62	(4 741)	23 539
Motor vehicles	7 866	276	-	(320)	-	267	(1 181)	6 908
Computer equipment	23 231	2 784	316	(99)	-	310	(10 923)	15 619
Leasehold improvements	21 981	2 322	-	-	(475)	-	(1 949)	21 879
	247 775	6 664	598	(609)	-	640	(25 264)	229 804

Reconciliation of property, plant and equipment

	Opening balance R'000	Additions			Foreign exchange movements		Depreciation R'000	Total R'000
		R'000	R'000	R'000	R'000	R'000		
Group – 2024								
Land and buildings	127 017	637	(22 138)	-	-	(54)	105 462	
Plant and machinery	48 732	17 619	-	(51)	(4 078)	62 222		
Furniture, fixtures and office equipment	27 469	4 386	(206)	50	(4 686)	27 013		
Motor vehicles	6 616	3 035	(467)	(257)	(1 061)	7 866		
Computer equipment	28 006	7 163	(116)	(337)	(11 485)	23 231		
Leasehold improvements	21 138	2 597	-	-	(1 754)	21 981		
	258 978	35 437	(22 927)	(595)	(23 118)	247 775		



Notes to the Financial Statements

11. Property, plant and equipment (continued)

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Company – 2025					
Land and buildings	784	-	-	-	784
Plant and machinery	28 765	-	(121)	(2 767)	25 877
Furniture and fixtures and office equipment	16 529	287	(57)	(2 400)	14 359
Motor vehicles	7 641	-	-	(1 068)	6 573
Computer equipment	15 875	740	(80)	(6 553)	9 982
	69 594	1 027	(258)	(12 788)	57 575
 Company – 2024					
Land and buildings	784	-	-	-	784
Plant and machinery	29 804	1 733	-	(2 772)	28 765
Furniture and fixtures and office equipment	15 449	3 417	(21)	(2 316)	16 529
Motor vehicles	6 364	2 786	(466)	(1 043)	7 641
Computer equipment	18 987	3 760	(53)	(6 819)	15 875
	71 388	11 696	(540)	(12 950)	69 594

Depreciation rates

Property, plant and equipment are carried on the cost model in accordance with IAS 16.

The following useful lives were applied in the current financial year for the depreciation of property, plant and equipment as based on the estimate of management.

Buildings	Straight-line basis – years	20 – 25
Plant and machinery	Straight-line basis – years	5 – 25
Furniture, fixtures and office equipment	Straight-line basis – years	5 – 12
Motor vehicles	Straight-line basis – years	5 – 7
Computer equipment:		
Desktops	Straight-line basis – years	5
Laptops/notebooks	Straight-line basis – years	3 – 5
Printers/scanners	Straight-line basis – years	5 – 6
Displays (large and small)	Straight-line basis – years	3 – 7
Network equipment	Straight-line basis – years	5
UPS	Straight-line basis – years	5 – 11
CCTV Cameras	Straight-line basis – years	2-6
Leasehold improvements	Straight-line basis – years	over the period of the initial lease

Notes to the Financial Statements

11. Property, plant and equipment (continued)

The directors reviewed the residual values, useful lives and carrying amount of property, plant and equipment at year end to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. No indicators of impairment were identified during the financial year. The directors applied a residual value of zero to all items of plant and equipment as a result of the fact that plant and equipment are not held for trading and are normally scrapped, apart from motor vehicles for which a residual value of 20% of cost was determined. For the majority of the buildings in the group and company, residual value exceeds the carrying value. Land is not depreciated. During the current year fully depreciated property, plant and equipment with a cost of R28.6 million was scrapped due to these assets not longer being in use. The group and company do not have any significant planned capital expenditure in the near future.

Property, plant and equipment to the value of R64.3 million (2024: R64.3 million) has been pledged as security for a mortgage bond and property, plant and equipment to the value of R100.6 million (2024: R82 million) has been pledged as security for a trade finance facility.

12. Investment property

	2025		2024			
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	
Group						
Investment property	12 695	(3 225)	9 470	12 946	(3 063)	9 883

Reconciliation of investment property

	Opening balance R'000	Foreign exchange movements R'000	Depreciation R'000	Total R'000
Group 2025				
Investment property	9 883	(187)	(226)	9 470
Group – 2024				
Investment property	9 785	423	(325)	9 883

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Buildings are depreciated over 20 years if the residual value of buildings does not exceed the carrying value. Land is not depreciated.

The fair value is likely to lie within the range of R35 million to R35.5 million (2024: R35.7 million - R36.3 million) dependent on valuation approach used. Refer note 28.

This building has been classified as held for sale subsequent to year end. Refer to note 35.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the respective companies.



Notes to the Financial Statements

12. Investment property (continued)

Amounts recognised in profit or loss for the year

	Group			Company		
	2025 R'000	2024 R'000		2025 R'000	2024 R'000	
Rental income from investment property	3 176	3 604		-	-	
The table below sets out the future expected rental income per annum for the period of the lease. The below rental amounts have been translated from KES to ZAR at an exchange rate of 0.129 (2024: 0.129)						
Maturity analysis of expected future rental income						
Year 1	3 445	2 944		-	-	
Year 2	1 436	3 195		-	-	
Year 3	-	1 331		-	-	
	4 881	7 470		-	-	

13. Right-of-use assets and lease liabilities

The Group leases several assets, including buildings and vehicles. The lease terms range between one and ten years (2024: one - ten years). Short term leases are expensed immediately (refer to note 6). The group has no leases of low-value assets.

	Group			Company		
	2025 R'000	2024 R'000		2025 R'000	2024 R'000	
Net carrying amounts of right-of-use assets						
The carrying amounts of right-of-use assets are as follows:						
Land and buildings	77 072	92 344		82 178	109 214	
Equipment	307	409		-	-	
Motor vehicles	3 015	3 704		-	-	
	80 394	96 457		82 178	109 214	
Additions/modifications to right-of-use assets						
Land and buildings – additions	10 786	3 117		2 585	3 117	
Land and buildings – modifications	584	59 748		-	59 748	
Equipment – additions	1 085	512		-	-	
Motor vehicles – additions	-	943		-	-	
	12 455	64 320		2 585	62 865	
Depreciation recognised on right-of-use assets						
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 6)						
Land and buildings	26 632	28 705		29 621	31 316	
Motor vehicles	1 769	1 977		-	-	
Equipment	102	102		-	-	
	28 503	30 784		29 621	31 316	

Notes to the Financial Statements

13. Right-of-use assets and lease liabilities (continued)

Details pertaining to leasing arrangements, where the Group and company are lessees are presented below:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other disclosures				
Foreign exchange movements	(14)	32	-	-
Lease liabilities				
Lease liability reconciliation				
Opening balance	102 800	68 036	123 319	90 033
Additions	11 872	4 572	2 585	3 117
Modifications	583	59 748	-	59 748
Foreign exchange movements	16	50	-	-
Interest expense	10 140	6 159	11 374	7 982
Lease payments	(34 331)	(35 765)	(37 559)	(37 561)
Closing balance	91 080	102 800	99 719	123 319
The maturity analysis of lease liabilities is as follows:				
Year 1	35 409	33 178	38 060	37 151
Year 2	35 217	32 499	38 314	37 287
Year 3	30 158	32 165	34 844	37 736
Year 4	3 355	27 262	4 990	34 321
Year 5	1 907	-	384	4 435
Onwards	1 996	-	-	-
	108 042	125 104	116 592	150 930
Less finance charges component	(16 962)	(22 304)	(16 873)	(27 611)
	91 080	102 800	99 719	123 319
Non-current liabilities	63 957	79 191	70 422	97 436
Current liabilities	27 123	23 609	29 297	25 883
	91 080	102 800	99 719	123 319

Lease liability

Interest charged on the lease liability is included in finance costs (note 8).

The Group and company remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement/modification scenarios	Lease liability remeasurement methodology
Change to the lease term.	<ul style="list-style-type: none"> discounting the revised lease payments using a revised discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	<ul style="list-style-type: none"> discounting the revised lease payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Right-of-use assets

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Depreciation starts at the commencement date of a lease.



Notes to the Financial Statements

14. Goodwill

	2025			2024		
	Cost R000	Accumulated depreciation R000	Carrying value R000	Cost R000	Accumulated depreciation R000	Carrying value R000
Group						
Goodwill	58 740	(7 717)	51 023	51 062	(7 717)	43 345

The carrying amount of goodwill has been allocated as follows:

	Pre-tax discount 2025	Pre-tax discount 2024	Forecasted cash flows	2025	2024
				2025	2024
Mustek	21.8%	26.6%	Five-year cash forecast, based on budgeted profits, with perpetual cash forecast thereafter.	16 069	16 069
Rectron	26.1%	24.9%	Five-year cash forecast, based on budgeted profits, with perpetual cash forecast thereafter.	27 276	27 276
Cyberantix *	22.0%	N/A	Five year cash forecast, based on current year profits, with perpetual cash forecast thereafter	7 678	-
				51 023	43 345

Allocations between cash generating units (CGUs) remained unchanged from the previous financial year.

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs were determined using a discounted cash flow model. A value-in-use was calculated and used as the recoverable amount. The key assumptions for the discounted cash flow model, are those regarding discount rates and expected growth rates. Management estimates discount rates using pre-tax rates that reflect management's assessment of the time value of money and their views on the risks specific to the CGUs. Discount rates used are based on a weighted average cost of capital of similar businesses in the same sector and of similar size, adjusted for the risk profile of the business. An average growth rate of 2.5% (2024:3%) has been projected for normalised earnings over the short/medium term, with 3.5% (2024:4.5%) projected thereafter, based on management experience and their expectations of industry and market share growth. Expectation of changes in gross margins and changes in indirect costs are based on past practices and expectations of future changes in the market.

The discount rate incorporates a risk-free rate which is adjusted for risk factors. The decrease in the discount rate was due to the reduction in the risk free rate, cost of debt and the change in the debt to equity ratio applied.

Management has adjusted the cash flows of each CGU for entity-specific risk factors to arrive at the future cash flows expected to be generated from the CGU. The headroom is considered sufficient such that even with a reasonable fluctuation in these risk factors, goodwill will not be impaired.

The impairment models were prepared on the same basis as the comparative year. The forecast cash flow periods and other inputs are all consistent with those of the comparative year.

* In the current year, additional goodwill arose from an acquisition of a subsidiary (note 37).

Notes to the Financial Statements

14. Goodwill (continued)

Reconciliation of goodwill

	Opening balance R'000	Additions through business combinations (note 37) R'000	Total R'000
Group – 2025			
Goodwill	43 345	7 678	51 023
Group – 2024			
Goodwill	46 550	(3 205)	43 345

15. Intangible assets

	2025			2024		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Group						
Customer contracts*	890	(178)	712	-	-	-
Computer software	212 236	(115 023)	97 213	211 005	(100 140)	110 865
	213 126	(115 201)	97 925	211 005	(100 140)	110 865
Company						
Computer software	199 367	(105 460)	93 907	198 351	(91 475)	106 876



Notes to the Financial Statements

15. Intangible assets (continued)

Reconciliation of intangible assets

	Opening balance R'000	Additions R'000	Foreign exchange movements R'000	Amortisation R'000	Total R'000
Group – 2025					
Customer contracts*	-	890	-	(178)	712
Computer software	110 865	1 243	(12)	(14 883)	97 213
	110 865	2 133	(12)	(15 061)	97 925

	Opening balance R'000	Additions R'000	Scraping R'000	Foreign exchange movements R'000	Amortisation R'000	Total R'000
Group – 2024						
Computer software	124 862	7 631	(5 153)	(1)	(16 474)	110 865

Reconciliation of intangible assets

	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Company – 2025				
Computer software	106 876	1 016	(13 985)	93 907

	Opening balance R'000	Additions R'000	Foreign exchange movements R'000	Amortisation R'000	Total R'000
Company – 2024					
Computer software	115 468	7 078	(22)	(15 648)	106 876

Other information

Intangible assets are carried at cost less accumulated amortisation and impairments in accordance with IAS 38 Intangible Assets.

There are no restrictions over the title to any of the intangible assets and no intangible assets have been placed as security for any liabilities.

* Customer contracts : This intangible asset arose as part of the business combination (note 37) with Cyberantix (Pty) Ltd in the current year. The customer contracts will be amortised over the life of the contract which is 5 years.

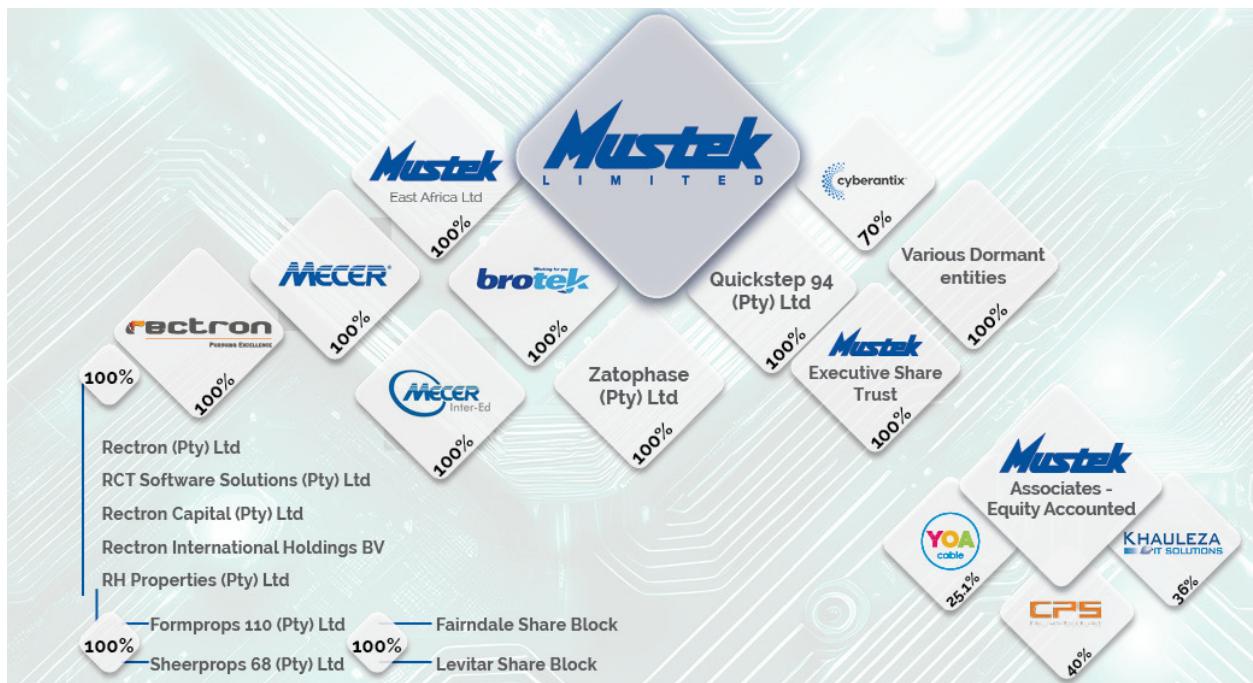
Computer Software is amortised on a straight-line basis over their remaining useful lives of 1 - 3 years for short term software and 7.5 years for the Epicor system specifically.

Notes to the Financial Statements

16. Investment in subsidiaries

	Notes	2025 R'000	2024 R'000
Company			
Shares at cost less accumulated impairment		208 785	213 551
- opening balance		213 551	243 391
- additional investment in subsidiary	37	8 132	-
- write off due to deregistration	22	-	(6 793)
- Current year impairment (Note 2 below)		(12 898)	(23 046)
Loans owing by subsidiaries		112 024	110 178
- opening balance		110 178	121 480
- write off of loans due to deregistration		-	(8 872)
- repayment of loans		(3 940)	(1 522)
- non - cash repayment of loans		(7 028)	-
- non - cash loans acquired through a business combination	37	11 868	-
- non-cash interest		2 209	1 151
- foreign exchange movement		(1 263)	(2 059)
Expected credit loss		(52 089)	(56 957)
- opening balance		(56 957)	(68 583)
- reversals		7 175	2 754
- current year expected credit loss		(2 307)	-
- reversal due to deregistration		-	8 872
Investment in subsidiaries		268 720	266 772
Loans owing to subsidiaries	24, 25	(96 203)	(136 828)
		172 517	129 944

The following organogram indicates the entities which are controlled or equity accounted by the Group, either directly or indirectly through subsidiaries.



Notes to the Financial Statements

16. Investment in subsidiaries (continued)

The following table lists the carrying amounts of the investments in subsidiaries in the company's separate financial statements.

Name of company	Country of incorporation	Nature of activities	% holding 2025	% holding 2024	2025 R'000	2024 R'000
Brotek Proprietary Limited	South Africa	Property holding	100 %	100 %	71 468	71 468
Cyberantix Proprietary Limited	South Africa	Trading	70 %	- %	8 132	-
Makeshift 1000 Proprietary Limited*	South Africa	Dormant	100 %	100 %	10 698	10 698
Mecer Technology Limited	Taiwan	Trading	100 %	100 %	6 629	6 629
Mustek East Africa Limited (Note 1)	Kenya	Trading	100 %	100 %	12 315	12 315
Mustek Electronics (Port Elizabeth) Proprietary Limited ~	South Africa	Dormant	100 %	100 %	-	327
Mustek Lesotho Proprietary Limited**	South Africa	Dormant	99 %	99 %	-	-
Mustek Middle East FZCO*	Middle East	Dormant	100 %	100 %	1 392	1 392
Mecer Inter-Ed Proprietary Limited (note 3)	South Africa	Investment holding	100 %	- %	-	-
Quickstep 94 Proprietary Limited (note 3)	South Africa	Investment holding	100 %	100 %	2 581	2 581
Rectron Holdings Limited	South Africa	Trading	100 %	100 %	115 973	115 973
Tradeselect 38 Proprietary Limited*	South Africa	Dormant	100 %	100 %	3 400	3 400
Zatophase Proprietary Limited (Note 2)	South Africa	Dormant	100 %	100 %	35 944	35 944
Total cost					268 532	260 727
Accumulated impairment					(59 747)	(47 176)
Opening balance					(47 176)	(59 632)
Current year impairment (note 2)					(12 898)	(23 046)
Impairment utilised due to deregistration					327	35 502
Carrying amount at year-end					208 785	213 551

*Fully impaired in prior years

** Amounts less than R1000

~ Deregistered in current year

A list of the number of shares that is held in each subsidiary is available at the registered office of the company.

In the separate financial statements of Mustek Limited, investments in subsidiaries are carried at cost less accumulated impairments in accordance with IAS 27 Consolidated and Separate Financial Statements. All subsidiaries have a June year end except for Mercer Technology Limited that has a December year end however June results were used for the Group financial statements.

Note 1: The investment in Mustek East Africa Limited was impaired by an amount of R5.7 million in previous financial years.

Note 2: Zatophase (Pty) Limited is an investment holding entity. The only asset held by Zatophase was the 40% interest in Zaloserve (Pty) Limited. In the prior year the investment in Zaloserve had been classified as held for sale and impaired down to its net realisable value of R15 million. Subsequent to the sale of Zaloserve being concluded, Zatophase declared a final dividend of R15m to the company. Zatophase is currently dormant and in the process of being deregistered. As a result the remaining carrying amount of R12.9m was impaired in the current year.

Note 3: In the prior year the investment in Mercer Inter- Ed ("MIE") was held as an investment in subsidiary in Quickstep 94 Proprietary Limited. In the current year the shares were transferred to Mustek Limited at a consideration of R1 and MIE is now held as a direct subsidiary.

Notes to the Financial Statements

16. Investment in subsidiaries (continued)

	2025 R'000	2024 R'000
Loans to subsidiaries		
Mustek East Africa Limited	47 364	51 270
This loan bears interest at two percent per annum (2024: 2%) and is repayable on demand (management has no expectation to demand settlement of this loan in the next 12 months). This loan is unsecured.		
Cyberantix Proprietary Limited	12 571	-
This loan bears interest at prime rate of South Africa per annum and is repayable on demand (management has no expectation to demand settlement of this loan in the next 12 months). This loan is unsecured.		
Zatophase Proprietary Limited	-	1 951
This loan is interest free and has no fixed terms of repayment and was settled in current year.		
	59 935	53 221

Exposure to credit risk

Loans receivable from group companies inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable that have fixed terms of repayment are subject to the impairment provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk. The Group distinguishes between the following categories:

- Financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low risk (Stage 1).
- Financial assets that have deteriorated significantly in credit quality since initial recognition (risk rating per Moody's RiskCalc implied rating scale has dropped by at least two grades over the last 3 years) and whose credit risk is not low (Stage 2), and
- Financial assets where objective evidence of impairment exists at the reporting date (Stage 3).

For financial assets in Stage 1, 12-month (12m) expected credit losses (ECL) would be recognised while for financial assets in Stage 2 and Stage 3, lifetime expected credit losses would be recognised.

The loss allowance for group loans receivable is calculated based on 12m expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition.

There have been no changes in the estimation techniques and significant assumptions made during the current reporting period. The below assessments were applied to on demand loans and loans with no terms:

Where a loan is repayable on demand, an assessment is made regarding the debtor's ability to repay if demand for immediate repayment was made.

If there is evidence that there is sufficient cash and near cash investments to make repayment, it is assumed that the risk is negligible and no ECL is raised.

If there is evidence that there is insufficient cash resources, or a restriction on repayment is imposed by sub-ordination, covenants or any other reason, the term of a loan is estimated by assessing how long it will take to repay in the normal course of business with reference to the cash flow of the debtor entity.



Notes to the Financial Statements

16. Investment in subsidiaries (continued)

Credit rating framework

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The group does not hold collateral or other credit enhancements against group loans receivable.

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	There is sufficient cash or near cash investments held by the subsidiaries if the loan were to be repaid today.	12m ECL
Doubtful	Significant increase in credit risk. Moody's RiskCalc rating has dropped by at least two grades.	Lifetime ECL (credit impaired)
In default	There is insufficient cash or near cash investments held by subsidiary to repay the loan today.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Lifetime ECL (credit impaired)

Credit loss allowances

The following tables set out the carrying amount and the expected credit loss allowances for Group loans receivable:

Instrument	External rating applicable to country of entity	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount	Loss allowance	Amortised cost
Company – 2025							
Loans to subsidiaries							
Makeshift 1000 Proprietary Limited*		Internal rating	In default	Lifetime ECL (credit impaired)	43 192	(43 192)	-
Cyberantix Proprietary Limited	Ba2	Moody's Investor Services	Performing	12m ECL	12 618	(47)	12 571
Mustek East Africa Limited	B2	Moody's Investor Services	In default	Lifetime ECL (credit impaired)	54 144	(6 780)	47 364
Mustek Lesotho Proprietary Limited*		Internal rating	In default	Lifetime ECL (credit impaired)	952	(952)	-
Mustek Middle East FZCO*		Internal rating	In default	Lifetime ECL (credit impaired)	1 118	(1 118)	-
					112 024	(52 089)	59 935

* These loans are unsecured, interest free and have no fixed terms of repayment.

Notes to the Financial Statements

16. Investment in subsidiaries (continued)

Instrument	External rating applicable to country of entity	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount	Loss allowance	Amortised cost
Company – 2024							
Loans to subsidiaries							
Makeshift 1000 Proprietary Limited*		Internal rating	In default	Lifetime ECL (credit impaired)	43 192	(43 192)	–
Mustek East Africa Limited	B1	Moody's Investor Services	In default	Lifetime ECL (credit impaired)	55 788	(4 518)	51 270
Mustek Lesotho Proprietary Limited*		Internal rating	In default	Lifetime ECL (credit impaired)	952	(952)	–
Mustek Middle East FZCO*		Internal rating	In default	Lifetime ECL (credit impaired)	1 118	(1 118)	–
Quickstep 94 Proprietary Limited*		Internal rating	In default	Lifetime ECL (credit impaired)	7 026	(7 026)	–
Zatophase Proprietary Limited		Internal rating	Performing	12m ECL	2 102	(151)	1 951
					110 178	(56 957)	53 221

* These loans are unsecured, interest free and have no fixed terms of repayment.

Reconciliation of loss allowances

The following tables show the movement in the loss allowances for loans receivable. The movement in the gross carrying amounts of the loans are also presented in order to assist in the explanation of movements in the loss allowance.

	Company	2025	2024
	R'000	R'000	
Loans to subsidiary: Loss allowance measured at 12 month ECL:			
Opening balance	151	838	
Changes due to investments recognised at the beginning of the reporting period			
Increase in loans	47	-	
Reduction due to repayment	(151)	(687)	
Closing balance	47	151	
Loans to subsidiaries: Loss allowance measured at lifetime ECL (credit impaired):			
Opening balance	56 806	67 745	
Changes due to investments recognised at the beginning of the reporting period:			
Changes in credit risk	2 260	(2 067)	
Current year reversal due to deregistration	-	(8 872)	
Reduction due to loan repayment	(7 024)	-	
Closing balance	52 042	56 806	



Notes to the Financial Statements

16. Investment in subsidiaries (continued)

Loans from subsidiaries

	2025 R'000	2024 R'000
Brotek Proprietary Limited	88 624	85 249
Note 3		
Rectron Proprietary Limited	7 579	37 579
Note 2		
Mecer Inter-Ed Proprietary Limited	-	14 000
Note 1		
	96 203	136 828

Note 1: This loan was interest-free and had no fixed terms of repayment and was settled in the current year.

Note 2: This loan is interest free and has no fixed terms of repayment.

Note 3: Brotek is made up of two loans with different terms:

The first loan has a balance of R58.4 million (2024: R52.5 million). This loan is interest free and has no fixed terms of repayment.

The second loan is a back to back loan with the mortgage bond received from Nedbank (refer note 24) and advanced to Mustek during June 2020. The balance of this loan is R30.2 million (2024: R32.7 million). This loan is carried at amortised cost and carries the same terms as the mortgage bond disclosed in note 24. R30.2 million (2024: R32.7 million) is repayable in the next 12 months.

Split between non-current and current portions

	2025 R'000	2024 R'000
Non-current liabilities	-	-
Current liabilities	96 203	136 828
	96 203	136 828

Classification

Loans to related companies (notes 16 and 17) and entities outside the Group (note 18) are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable from group companies are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

After initial recognition, financial assets are measured at amortised cost using the effective interest method, net of impairment losses.

Impairment:

The Group recognises a loss allowance for expected credit losses on all loans receivable from group companies measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

Refer to note 24 for accounting policy on loan payables.

Fair value of subsidiary loans

The fair value of subsidiary loans receivable and payable approximates their carrying amounts.

Notes to the Financial Statements

17. Investment in associate

	Note	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Shares at cost		51 116	55 305	51 116	55 306
– opening balance		55 305	68 128	55 305	40 246
- derecognised investment (note 3)		(4 189)	-	(4 189)	-
– acquisitions		-	15 060	-	15 060
– transferred to non-current assets held-for-sale	36	-	(27 883)	-	-
Impairments		-	(4 189)	-	(4 189)
– opening balance		(4 189)	(14 350)	(4 189)	(4 189)
- derecognised investment (note 3)		4 189	-	4 189	-
– impairments	36	-	(13 743)	-	-
– transferred to non-current assets held for sale	36	-	23 904	-	-
Share of undistributed post-acquisition gains		37 843	31 527	-	-
– opening balance		31 527	61 906	-	-
– current year share of post-acquisition profit / (losses)		6 316	(19 359)	-	-
– transferred to non-current assets held for sale	36	-	(11 020)	-	-
Loans owing by associates		1 300	1 300	1 300	1 300
Opening balance		1 300	1 300	1 300	1 300
– repayment of loans		-	-	-	-
Investment in associates		90 259	83 943	52 416	52 417



Notes to the Financial Statements

17. Investment in associate (continued)

Summarised financial information of material associates

	Revenue R'000	Profit (loss) before tax R'000	Tax R'000	Total comprehensive income R'000
2025				
Summarised statement of profit or loss and other comprehensive income				
Yangtze Optics Africa Proprietary Limited	374 632	26 595	(7 181)	19 414
Khauleza IT Solutions Proprietary Limited	42 034	800	-	800
Continuous Power Systems Proprietary Limited	41 770	3 957	(1 069)	2 888
	458 436	31 352	(8 250)	23 102
	Non-current assets R'000	Current assets R'000	Non-current liabilities R'000	Current liabilities R'000
				Mustek's share of net asset value R'000
2025				
Summarised statement of financial position				
Yangtze Optics Africa Proprietary Limited	223 605	222 726	-	146 680
Khauleza IT Solutions Proprietary Limited	11 634	8 651	3 324	1 417
Continuous Power Systems Proprietary Limited	42 806	23 879	9 622	13 900
	278 045	255 256	12 946	161 997
				358 358
				90 259

Notes to the Financial Statements

17. Investment in associate (continued)

Summarised financial information of material associates

	Revenue R'000	Profit (loss) before tax R'000	Tax R'000	Total comprehensive income R'000
2024				
Summarised statement of profit or loss and other comprehensive income				
Yangtze Optics Africa Proprietary Limited	240 528	4 880	(687)	4 193
Khauleza IT Solutions Proprietary Limited	37 401	(320)	–	(320)
Continuous Power Systems Proprietary Limited	45 413	(3 430)	–	(3 430)
	323 342	1 130	(687)	443
	Non-current assets R'000	Current assets R'000	Non-current liabilities R'000	Current liabilities R'000
				Mustek's share of net asset value R'000
2024				
Summarised statement of financial position				
Yangtze Optics Africa Proprietary Limited	206 477	208 718	–	142 727
Khauleza IT Solutions Proprietary Limited	12 247	9 220	4 656	2 067
Continuous Power Systems Proprietary Limited	43 903	29 201	17 515	20 819
	262 627	247 139	22 171	165 613
				321 982
				83 943



Notes to the Financial Statements

17. Investment in associate (continued)

The following tables list the net investment in associates for both company and Group:

Company – unlisted

	Note	Percentage holding	Cost				
			2025 %	2025 R'000	Derecognised R'000	Opening impairment R'000	Derecognised (note 3) R'000
Mustek Zimbabwe Private Limited	3	-	-	(4 189)	(4 189)	4 189	4 189
Khauleza IT Solutions Proprietary Limited		36.0 %	-	-	-	-	-
Continuous Power Systems Proprietary Limited	1	40.0 %	-	-	-	-	-
Yangtze Optics Africa Holdings Proprietary Limited	2	25.1 %	51 116	-	-	-	51 116
Total Company			51 116	(4 189)	(4 189)	4 189	55 305

Group – unlisted

	Note	Percentage holding	Cost				
			2025 %	2025 R'000	Derecognised R'000	Opening impairment R'000	Derecognised (note 3) R'000
Mustek Zimbabwe Private Limited	3	-	-	(4 189)	(4 189)	4 189	4 189
Khauleza IT Solutions Proprietary Limited		36.0 %	-	-	-	-	-
Continuous Power Systems Proprietary Limited	1	40.0 %	-	-	-	-	-
Yangtze Optics Africa Holdings Proprietary Limited	2	25.1 %	51 116	-	-	-	51 116
Total Group			51 116	(4 189)	(4 189)	4 189	55 305

Notes to the Financial Statements

2025 R'000	Advanced (/repaid) R'000	Loans to				Equity-accounted profits			Net investment		
		Opening Impair- ment R'000	Reversal of Impair- ment R'000	2024 R'000	2025 R'000	Current year profits R'000	Current year dis- posals R'000	Dividend received R'000	2024 R'000	2025 R'000	2024 R'000
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1 300	-	-	-	1 300	-	-	-	-	-	1 300	1 300
-	-	-	-	-	-	-	-	-	-	51 116	51 116
1 300	-	-	-	1 300	-	-	-	-	-	52 416	52 416

2025 R'000	Advanced (repaid)/ (written off) R'000	Loans to				Equity-accounted share of earnings			Net investment		
		Opening impair- ment R'000	2024 R'000	2025 R'000	Current year profits (losses) R'000	non- current asset held for sale R'000	Transfers to	2024 R'000	2025 R'000	2024 R'000	
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	5 393	288	-	5 105	5 393	5 105	5 105	5 105
1 300	-	-	1 300	11 704	1 155	-	10 549	13 004	11 849	11 849	11 849
-	-	-	-	20 746	4 873	-	15 873	71 862	66 989	66 989	66 989
1 300	-	-	1 300	37 843	6 316	-	31 527	90 259	83 943	83 943	83 943



Notes to the Financial Statements

17. Investment in associate (continued)

1. With effect from 1 January 2011, Mustek Limited acquired a 40% share in Continuous Power Systems Proprietary Limited. The loan to Continuous Power Systems Proprietary Limited is interest free and has no fixed repayment terms (management has no expectation to demand settlement of this loan within the next 12 months).
2. Mustek Limited acquired a 25.1% share in Yangtze Optics Africa Holdings Proprietary Limited with effect from 8 March 2016. During the prior year, management entered into a subscription of shares agreement to fund an expansion of YOA's manufacturing facility. This increased the investment in YOA by R15 million while maintaining the same shareholding of 25.1%.
3. On 1 July 2002 Mustek disposed of Mustek Zimbabwe. The purchaser irrevocably granted Mustek an option to purchase, at any time, 40% of the entire issued share capital of Mustek Zimbabwe for a nominal value and, as a result, the option investment is treated as an equity investment in an associate company. In the current year Mustek Zimbabwe was liquidated and closed down, therefore Mustek lost the option to purchase share capital and the investment has been derecognised.

Additional information	Nature of business	Principle place of business	Period equity accounted
Mustek Zimbabwe Private Limited	Assembly and distribution of computers and computer components	Zimbabwe	9 months (2024: 12 months)
Khauleza IT Solutions Proprietary Limited	Provider of IT support solutions	South Africa	12 months (2024: 12 months)
Continuous Power Systems Proprietary Limited	Provider of uninterrupted power supply solutions	South Africa	12 months (2024: 12 months)
Zaloserve Proprietary Limited	Group of IT support solutions provider companies	South Africa	12 months (2024: 12 months)
Yangtze Optics Africa Holdings Proprietary Limited	Fibre optics technology	South Africa	12 months (2024: 12 months)

In the separate financial statements of Mustek Limited, investments in associates are carried at cost less accumulated impairment losses in accordance with IAS 28. For Group purposes, the investments in associates have been equity accounted in accordance with IAS 28.

The net investment is stated after accumulated impairment losses of Rnil (2024: R4 million) for the Group and Rnil (2024: R4 million) for the company. The carrying amounts of the investments approximates the fair values.

The loans are measured, at initial recognition, at fair value plus transaction costs, if any. After initial recognition, these loans are measured at amortised cost using the effective interest method, net of ECL. Refer to note 16 for details on the group's exposure to credit risk, specifically relating to loans receivable from group companies.

The group or company considers significant influence over an entity to be present, when the group or company can exert significant influence over the executive decision making within the entity. This may be achieved by either a combination of the voting rights associated to the shareholding in the entity, or through significant influence over executive decision making by means of positions and relationships held.

Notes to the Financial Statements

18. Other loans

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other loans are presented at amortised cost, which is net of ECL, as follows:				
A Lai	-	-	-	-
This loan is unsecured, interest-free and has no fixed terms of repayment. This loan has been impaired in full.				
Elimu Technologies Proprietary Limited	-	-	-	-
This loan is unsecured, bears interest at prime and has no fixed repayment terms. This loan has been impaired in full.				
Mustek Executive Share Trust	-	-	30 840	34 026
<i>Note 1 and 2</i>				
Estate late DC Kan	-	2 950	-	-
<i>Note 3</i>				
H Engelbrecht	9 839	10 075	-	-
<i>Note 1</i>				
CJ Coetzee	531	530	-	-
<i>Note 1</i>				
Subbienet Propriety Limited	4 672	-	4 672	-
This loan is interest free, unsecured, and has no fixed repayment terms. Management has no expectation to demand settlement of this loan in the next 12 months.	-	-	-	-
	15 042	13 555	35 512	34 026

- Note 1: 3.8 million Mustek Limited shares were issued to directors of Mustek Limited in terms of an executive share option scheme. The purchase of these shares was funded by means of a loan from the Mustek Executive Share Trust to the directors in terms of the rules of the trust. The loan from the Share Trust was in turn funded by a loan from Mustek Limited to the Share Trust. Up to 31 August 2017, these loans bore interest at the South African Repo rate plus one percent. From 01 September 2017, the loans are interest free. Tax on fringe benefits is charged to the loan accounts on a monthly basis. These loans are full recourse loans, have no fixed repayment terms and settlement is not expected within the next 12 months. Refer below for details on expected credit loss & note 31 for related party disclosure.
- Note 2: In accordance with IFRS 10, Mustek has control over the Mustek Executive Share Trust, as it is exposed and has rights to variable returns from its involvement with the trust and has the ability to affect those returns through its power. Therefore it is consolidated into the Group. This entity has a 28 February financial year end which is different to the 30 June year end of other group entities (unless stated otherwise). June financial records of the Trust are consolidated into the group financial statements.
- Note 3: The loan to DC Kan was advanced under the same scenario noted above in Note 1. During the prior year a portion of the loan was settled through the transfer of the 2 250 000 shares with a value of R20.6 million from the DC Kan estate back to the Mustek Executive Share Trust. The loan has been fully settled in the current year.



Notes to the Financial Statements

18. Other loans (continued)

Exposure to credit risk

Other loans inherently exposes the Group and company to credit risk, being the risk that the Group or company will incur financial loss if counterparties fail to make payments as they fall due.

Other loans are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for other loans is calculated based on twelve month (12m) expected losses. A rate of 1% (2024:1%) was used for the expected credit loss on certain of the loans (Mustek Share Trust and Director loans) as these loans are expected to have low credit risk as the borrowers have capacity to meet their obligations and sufficient measures are put in place to ensure recoverability of these loans. In determining the amount of expected credit losses for these loans, the group and company have taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

There have been no loans with an increase in credit risk in the current year.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

Credit rating framework

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and repayments on the loan have been received in the current year	12m ECL
Doubtful	There has been a significant increase in credit risk and no repayments have been received on the loan in the current year	Lifetime ECL (not credit impaired)
In default	There is evidence indicating that the counterparty is in financial difficulty but a repayment plan has been agreed	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty such as insolvency and there is no realistic prospect of recovery	Lifetime ECL (credit impaired)

Notes to the Financial Statements

18. Other loans (continued)

Credit loss allowances

The following tables set out the carrying amount and loss allowance for loans receivable (at amortised cost):

Instrument	External credit rating applicable to country of entity	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Group – 2025							
A Lai	Internal rating	In default	Lifetime ECL (credit impaired)	1 000	(1 000)	-	
Elimu Technologies Proprietary Limited	Internal rating	In default	Lifetime ECL (credit impaired)	2 627	(2 627)	-	
H Engelbrecht	Internal rating	Performing	12m ECL	9 939	(100)	9 839	
CJ Coetze Subbienet Proprietary Limited	Internal rating	Performing	12m ECL	536	(5)	531	
	Internal rating	Performing	12m ECL	4 903	(231)	4 672	
				19 005	(3 963)	15 042	

Instrument	External credit rating applicable to country of entity	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Group – 2024							
A Lai	Internal rating	In default	Lifetime ECL (credit impaired)	1 000	(1 000)	-	
Elimu Technologies Proprietary Limited	Internal rating	In default	Lifetime ECL (credit impaired)	2 395	(2 395)	-	
Estate late DC Kan	Internal rating	Performing	12m ECL	2 979	(29)	2 950	
H Engelbrecht	Internal rating	Performing	12m ECL	10 177	(102)	10 075	
CJ Coetze	Internal rating	Performing	12m ECL	535	(5)	530	
IG3 Education Limited (written off in current year)	Internal rating	In default	Lifetime ECL (credit impaired)	6 146	(6 146)	-	
				23 232	(9 677)	13 555	



Notes to the Financial Statements

18. Other loans (continued)

Instrument	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Company – 2025						
A Lai	Internal rating	In default	Lifetime ECL (credit impaired)	1 000	(1 000)	-
Elimu Technologies Proprietary Limited	Internal rating	In default	Lifetime ECL (credit impaired)	2 627	(2 627)	-
Mustek Executive Share Trust	Internal rating	Performing	12m ECL	31 153	(313)	30 840
Subbienet Proprietary Limited	Internal rating	Performing	12m ECL	4 903	(231)	4 672
				39 683	(4 171)	35 512

Instrument	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount R'000	Loss allowance R'000	Amortised cost R'000
Company – 2024						
A Lai	Internal rating	In default	Lifetime ECL (credit impaired)	1 000	(1 000)	-
Elimu Technologies Proprietary Limited	Internal rating	In default	Lifetime ECL (credit impaired)	2 395	(2 395)	-
Mustek Executive Share Trust	Internal rating	Performing	12m ECL	34 370	(344)	34 026
				37 765	(3 739)	34 026

Reconciliation of loss allowances

The following tables show the movement in the loss allowances for other loans. The movement in the gross carrying amounts of the loans are also presented in order to assist in the explanation of movements in the loss allowance.

Other loans: Loss allowance measured at 12-month ECL:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Opening balance in accordance with IFRS 9	136	377	344	367
Changes due to investments recognised at the beginning of the reporting period:	(32)	(241)	(32)	(23)
Reduction due to repayment of loans	232	-	232	-
Closing balance	336	136	544	344

Notes to the Financial Statements

18. Other loans (continued)

Other loans: Loss allowance measured at lifetime ECL (credit impaired):

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Opening balance in accordance with IFRS 9	9 541	9 095	3 395	3 152
Changes due to investments recognised at the beginning of the reporting period:				
Loans written off	(6 146)	-	-	-
Increase in loans	282	446	282	243
Reduction due to repayment of loans	(50)	-	(50)	-
Closing balance	3 627	9 541	3 627	3 395

19. Inventories

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Trading inventory	1 698 794	2 186 889	1 030 206	1 404 838
Allowance for obsolescence	(78 609)	(83 156)	(49 223)	(52 310)
Trading inventory, net of allowance for obsolescence	1 620 185	2 103 733	980 983	1 352 528
Inventories in transit	129 480	248 668	71 598	148 878
Total inventories	1 749 665	2 352 401	1 052 581	1 501 406
Allowance for obsolescence reconciliation				
Opening balance	(83 156)	(109 045)	(52 310)	(55 215)
Current year (increase in allowance)/reversal of allowance	(6 530)	12 550	(7 300)	(8 511)
Amount written off/written down	11 077	13 339	10 387	11 416
	(78 609)	(83 156)	(49 223)	(52 310)

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Service stock and trading stock obsolescence allowances are highly judgemental because of the very competitive nature of the business, the constant change in trends and the extremely short life cycle of the product. Service stock and trading stock is impaired depending on its age as well as specific market conditions. The group considers stock older than 150 days as aged stock. The net realisable value of inventory represents the estimated selling price (determined per aged product line) less all estimated costs to sell and costs to be incurred in the current market at reporting date. The effects of supply and demand conundrums, change in trends and consumer behaviour have been considered in determining the net realisable value of inventory. The group and company provides for the amount by which the cost of inventory exceeds the net realisable value multiplied by the units of stock on hand at reporting date.

The cost of inventories recognised as an expense during the year was R6.2 billion (2024: R7.4 billion) and R4.3 billion (2024: R5.1 billion) for the group and company respectively. Costs relating to outward freight and delivery are included in cost of sales.

The cost of inventories recognised includes R46.8 million (2024: R13.3 million) and R46.2 million (2024: R11.4 million) for the group and company respectively, in respect of write-downs to net realisable value.



Notes to the Financial Statements

20. Trade and other receivables

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Financial instruments at amortised cost:				
Trade receivables	1 377 362	1 514 820	998 508	1 112 439
Loss allowance	(66 036)	(72 894)	(26 956)	(41 967)
Trade receivables at amortised cost	1 311 326	1 441 926	971 552	1 070 472
Dividend receivable	-	-	-	51 000
Other receivables	14 824	7 284	15 468	5 232
Other short-term receivables (note 18)	-	2 950	-	-
Non-financial instruments:				
VAT	16 820	46 509	14 429	29 011
Prepayments	93 000	74 071	49 118	70 621
Total trade and other receivables	1 435 970	1 572 740	1 050 567	1 226 336

Exposure to currency risk

Refer to note 27 for details of currency risk management for trade receivables.

Classification

Trade and other receivables are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Majority of other receivables balance is made up of insurance claims receivable.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at the transaction price. They are subsequently measured at amortised cost, net of expected credit losses.

Expected credit losses

The Group and company recognise a loss allowance for expected credit losses (ECL) on trade receivables. The amount of ECLs is updated at each reporting date. The Group and company measure the loss allowance for trade receivables at an amount equal to lifetime ECLs (lifetime ECL) based on the simplified approach, which represents the ECLs that will result from all possible default events over the expected life of the receivable.

Other information

The directors consider that the carrying amount of trade and other receivables approximates their fair value, due to their short term nature.

The group and company's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the statement of financial position are net of allowances for expected credit losses. The group and company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The group and company perform ongoing credit valuations of the financial condition of customers, and where appropriate, credit guarantee insurance is purchased for between 85% to 90% (2024: 85% to 90%) of the value of individual trade receivables subject to an insurance deductible. Note that the majority of trade receivables are encumbered (see note 24).

The average credit period on sale of goods and services is between 30 and 60 days (2024: 30 and 60 days) from date of invoice. Generally, no interest is charged on trade receivables. Of the trade receivable balance at year-end, R188.4 million (2024: R295.4 million) is due from a single customer. The customer with the largest balance is the same for the Group and company.

Notes to the Financial Statements

20. Trade and other receivables (continued)

It is the group and company's policy to provide credit to approved dealers, government departments and parastatals, and to allow an account to exceed its credit limit by a maximum of 50% of the original credit limit for temporary periods, subject to the necessary approval. Limits are revised regularly according to the customer's requirements and payment history. When an insured limit is exceeded temporarily, an application is immediately sent to the insurer requesting an extension of the insured limit.

The credit risk for other receivables is assessed using the general approach. There has been no increase in credit risk and expected credit loss is immaterial.

Write-off policy

Trade receivables that are not covered by our credit insurance are written off when a debt becomes irrecoverable. This is based on factors such as lack of securities, status of surety holder or when it is uneconomical to pursue collection costs.

Expected credit losses

It is the group and company's policy to provide for impairment based on expected credit losses (collectively assessed). Individual debtors are also assessed and debtors that have defaulted in payments or the probability exists that the debtor is experiencing financial difficulties will also be provided for (individually assessed).

A combination of models derived from internal data and external models was produced on relevant data. For individually material trade receivables and inter-company accounts, we make use of ratings or Moody's Analytics RiskCalc SA financial statement Probability of Default ("PD") and Loss Given Default ("LGD") models, adjusted for such items as implied group support. For the remainder of trade receivables, we perform analysis of empirical evidence of historical defaults and losses with a judgemental overlay which generally includes SA benchmark data, where possible, and measured per risk pool.

Foreign counterparties, where their country has a lower credit rating than South Africa, are attributed the higher of their ECL rating and that of their country.

The group and company's policy is to define a default as a credit sale that is uncollected after 90 days. Conversion of ratings and historic PD and LGD into an ECL:

Credit ratings issued by Moody's Investor Service, S&P Global, and Fitch Ratings ("Ratings"), measured PD and LGD's are converted from Through The Cycle ("TTC") to Point in Time ("PIT") measures using Moody's Analytics ImpairmentCalc product and their GCorr economic forecasts and scenarios. ImpairmentCalc then converts (or "conditions") these historic or point-in-time measures into forward looking measures that constitute the ECL. This conditioning utilises their proprietary models, their database of validated historic macroeconomic data and forecast macro-economic data and scenarios with recommended weightings.

This is consistent with the methodology applied in prior periods.

Moody's Analytics produces a set of macroeconomic forecasts for South Africa that considers the historical accuracy of various forecasters to identify reliable sources. These are incorporated into their GCorr macroeconomic forecast set. Based on research conducted by Moody's Analytics they recommend the use of their Baseline, Stronger Near-Term Rebound (S1) ("Bullish"), and Moderate Recession (S3) ("Bearish") forecast sets weighted 40%, 30%, 30% respectively for a forward looking adjustment for the purposes of IFRS 9. They consider both public and private South African company defaults in this research. The methodology does consider the industry of the asset and includes in the calculations likely volatility of that industry to the average impact of the South African economy.

Moody's Analytics does not disclose the specific macroeconomic variables that they have found to be best predictive of changes in credit risk in South Africa but do provide indicators of the impact of certain of their measures. The forecast GDP growth for the year to Q2 2026 ranges from -2.13% to 2.61% with baseline at 0.90%. GDP is not the only factor that determines the extent of the adjustment but is described here to illustrate the extent of impact on the general economy that is being taken into account.

The Group and company's trade receivables are stated after allowances for ECLs. The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:



Notes to the Financial Statements

20. Trade and other receivables (continued)

	Collectively assessed R'000	Individually assessed R'000	Total R'000
Group – 2025			
Balance at the beginning of the year	14 835	58 059	72 894
As part of business combination	-	2 855	2 855
Foreign exchange movements	-	(16)	(16)
Net amounts written off as uncollectable	-	(33 704)	(33 704)
Charged to profit or loss	3 928	20 079	24 007
Balance at the end of the year	18 763	47 273	66 036
 Group – 2024			
Balance at the beginning of the year	17 008	47 421	64 429
Foreign exchange movements	-	(60)	(60)
Net amounts written off as uncollectable	-	(16 740)	(16 740)
Charged to profit or loss	(2 173)	27 438	25 265
Balance at the end of the year	14 835	58 059	72 894
 Company – 2025			
Balance at the beginning of the year	9 282	32 685	41 967
Net amounts written off as uncollectable	-	(24 518)	(24 518)
Charged to profit or loss	282	9 225	9 507
Balance at the end of the year	9 564	17 392	26 956
 Company – 2024			
Balance at the beginning of the year	11 555	27 816	39 371
Net amounts written off as uncollectable	(76)	(7 181)	(7 257)
Charged to profit or loss	(2 197)	12 050	9 853
Balance at the end of the year	9 282	32 685	41 967

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2025	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
Group – 2025									
0 – 30 days									
Lesotho	196	Sovereign rate and empirical	B2	43.6	0.65	1.20	1.20	(2)	194
Mozambique	38	Sovereign rate and empirical	Caa2	44.9	0.65	3.90	3.90	(1)	37
Namibia	5244	Sovereign rate and empirical	Ba1	43.3	0.65	0.28	0.65	(35)	5 209
Eswatini	1 613	Sovereign rate and empirical	Ba3	43.3	0.65	0.57	0.65	(10)	1 603
Zambia	344	Sovereign rate and empirical	B3	43.6	0.65	1.74	1.74	(6)	338
Zimbabwe	3 522	Sovereign rate and empirical	C	10.0	0.65	10 - 100	10 - 100	(3 321)	201
South Africa	477 725	Empirical	Ba2	4.17	0.65	-	0.65	(3 095)	474 630
Total	488 682							(6 470)	482 212
30 – 60 days									
Lesotho	101	Sovereign rate and empirical	B2	43.6	1.09	1.20	1.20	(1)	100
Mozambique	9	Sovereign rate and empirical	Caa2	44.9	1.09	3.90	3.90	-	9
Namibia	608	Sovereign rate and empirical	Ba1	43.3	1.09	0.28	1.00	(6)	602
Eswatini	1 418	Sovereign rate and empirical	Ba3	43.3	1.09	0.57	1.09	(15)	1 403
Zimbabwe	37	Sovereign rate and empirical	C	10.0	1.09	100	100	(37)	-
South Africa	212 443	Empirical	Ba2	4.17	1.09	-	1.09	(2 310)	210 133
Total	214 616							(2 369)	212 247



Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2025	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
Mozambique	1	Sovereign rate and empirical	Caa2	44.9	2.80	3.90	3.90	-	1
Namibia	579	Sovereign rate and empirical	Ba1	43.3	2.80	0.28	2.80	(16)	563
Zimbabwe	1 373	Sovereign rate and empirical	C	10.0	2.80	10	10	(137)	1 236
South Africa	35 763	Empirical	Ba2	4.17	2.80	-	2.80	(1 002)	34 761
Total	37 716							(1 155)	36 561
90+ days									
DRC	1	Sovereign rate and empirical	B3	43.6	4.73	1.74	4.73	-	-
Lesotho	69	Sovereign rate and empirical	B2	43.6	4.73	1.20	4.73	(3)	-
Mozambique	219	Sovereign rate and empirical	Caa1	44.9	4.73	3.90	4.73	(10)	-
Namibia	97	Sovereign rate and empirical	Ba1	43.3	4.73	0.28	4.73	(5)	-
Eswatini	16	Sovereign rate and empirical	Ba3	43.3	4.73	0.57	4.73	(1)	-
Zimbabwe	6	Sovereign rate and empirical	C	10.0	4.73	100	100	(6)	-
South Africa	185 283	Empirical	Ba2	4.17	4.73	-	4.73	(8 744)	-
Total	185 691							(8 769)	-
Total Group ECL								(18 763)	

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2024	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
Group – 2024									
0 – 30 days									
Lesotho	743	Sovereign rate and empirical	B2	43.9	0.25	0.69	0.69	(5)	738
Mozambique	397	Sovereign rate and empirical	Caa1	45.3	0.25	1.46	1.46	(6)	391
Namibia	2 813	Sovereign rate and empirical	Ba1	43.7	0.25	0.16	0.16	(7)	2 806
Eswatini	874	Sovereign rate and empirical	B1	43.9	0.25	0.48	0.48	(4)	870
Zambia	15	Sovereign rate and empirical	B3	43.9	0.25	0.98	0.98	–	15
Zimbabwe	1 997	Sovereign rate and empirical	C	100.0	0.25	10 – 100	10 – 100	(896)	1 101
South Africa	772 997	Empirical	Ba2	3.29	0.25	–	0.25	(1 818)	72 179
Total	729 836							(2 736)	727 100
30 – 60 days									
Lesotho	318	Sovereign rate and empirical	B2	43.9	0.42	0.69	0.69	(2)	316
Namibia	590	Sovereign rate and empirical	Ba1	43.7	0.42	0.16	0.16	(2)	588
Eswatini	1 147	Sovereign rate and empirical	B1	43.9	0.42	0.48	0.48	(6)	1 141
Zambia	1	Sovereign rate and empirical	B3	43.9	0.42	0.98	0.98	(1)	–
Zimbabwe	864	Sovereign rate and empirical	C	100.0	0.42	10 – 100	10 – 100	(93)	771
South Africa	260 592	Empirical	Ba2	3.29	0.42	–	0.42	(1 093)	259 499
Total	263 512							(1 197)	262 315



Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2024	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
Namibia	39	Sovereign rate and empirical	Ba1	43.7	1.35	0.16	1.35	(1)	38
Zimbabwe	456	Sovereign rate and empirical	C	100.0	1.35	10 – 100	10 – 100	(46)	410
South Africa	99 583	Empirical	Ba2	3.29	1.35	–	1.35	(1 347)	98 236
Total	100 078							(1 394)	98 684
90+ days									
Mozambique	3	Sovereign rate and empirical	Caa1	45.3	3.55	1.46	3.55	(1)	2
Namibia	22	Sovereign rate and empirical	Ba1	43.7	3.55	0.16	3.55	(1)	21
Eswatini	7	Sovereign rate and empirical	B1	43.9	3.55	0.48	3.55	(1)	6
Zimbabwe	904	Sovereign rate and empirical	C	100.0	3.55	100	100	(904)	–
South Africa	242 640	Empirical	Ba2	3.29	3.55	–	3.55	(8 601)	234 039
Total	243 576							(9 508)	234 068
Total Group ECL								(14 835)	

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2025	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	Indicative ECL amount	Indicative net balance ZAR
Company – 2025									
0 – 30 days									
Lesotho	3	Sovereign rate and empirical	B2	43.6	0.65	1.20	1.20	-	3
Namibia	2 147	Sovereign rate and empirical	Ba1	43.3	0.65	0.28	0.65	(14)	2 133
Eswatini	998	Sovereign rate and empirical	Ba3	43.3	0.65	0.57	0.65	(6)	992
Zambia	284	Sovereign rate and empirical	B3	43.6	0.65	1.74	1.74	(5)	279
Zimbabwe	225	Sovereign rate and empirical	C	10.0	0.65	10.00	10.00	(23)	202
South Africa	303 284	Empirical	Ba2	4.17	0.65	-	0.65	(1 964)	301 320
Total	306 941							(2 012)	304 929
30 – 60 days									
Lesotho	1	Sovereign rate and empirical	B2	43.6	1.09	1.20	1.20	-	1
Namibia	360	Sovereign rate and empirical	Ba1	43.3	1.09	0.28	1.09	(4)	356
Eswatini	654	Sovereign rate and empirical	B1	43.3	1.09	0.57	1.09	(7)	647
South Africa	133 421	Empirical	Ba2	4.17	1.09	-	1.09	(1 450)	131 971
Total	134 436							(1 461)	132 975



Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2025	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
Namibia	69	Sovereign rate and empirical	Ba1	43.3	2.80	0.28	2.80	(2)	67
Zimbabwe	1 373	Sovereign rate and empirical	C	10.0	2.80	10.00	10.00	(137)	1 236
South Africa	13 659	Empirical	Ba2	4.17	1.55	2.80	-	(383)	13 276
Total	15 101							(522)	14 579

	Indicative amount at 30 June 2025	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	Indicative ECL amount	Indicative net balance ZAR
90+ days									
Lesotho	70	Sovereign rate and empirical	B2	43.6	4.73	0.28	4.73	(3)	67
Namibia	23	Sovereign rate and empirical	Ba1	43.6	4.73	0.28	4.73	(1)	22
South Africa	116 177	Empirical	Ba2	43.6	4.73	0.28	4.73	(5 492)	110 686
Total	116 270							(5 496)	110 775

Intercompany balances

	Indicative amount at 30 June 2025	Measurement approach	Probability of default rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	Indicative ECL amount	Indicative net balance ZAR
Rectron	3 900	PD and LGD – RiskCalc	4.16%	55.8	1.50	-	1.50	(59)	3 842
Mustek East Africa	922	PD and LGD – RiskCalc	4.35%	55.8	1.57	1.20	1.57	(14)	907
Total	4 822							(73)	4 749
Total company ECL								(9 564)	

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2024	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
Company – 2024									
0 – 30 days									
Lesotho	7	Sovereign rate and empirical	B2	43.9	0.25	0.69	0.69	–	7
Mozambique	169	Sovereign rate and empirical	Caa1	45.3	0.25	1.46	1.46	(2)	167
Namibia	1 657	Sovereign rate and empirical	Ba1	43.7	0.25	0.16	0.25	(4)	1 653
Eswatini	522	Sovereign rate and empirical	B1	43.9	0.25	0.48	0.48	(3)	519
Zimbabwe	1 223	Sovereign rate and empirical	C	100.0	0.25	10.00	10.00	(122)	1 101
South Africa	537 223	Empirical	Ba2	3.29	0.25	–	0.25	(1 351)	535 872
Total	540 801							(1 482)	539 319
30 – 60 days									
Namibia	443	Sovereign rate and empirical	Ba1	43.7	0.42	0.16	0.42	(2)	441
Eswatini	579	Sovereign rate and empirical	B1	43.9	0.42	0.48	0.48	(3)	576
Zambia	1	Sovereign rate and empirical	B3	43.9	0.42	0.98	0.98	–	1
Zimbabwe	855	Sovereign rate and empirical	C	100.0	0.42	10.00	10.00	(85)	770
South Africa	153 164	Empirical	Ba2	3.29	0.42	–	0.42	(642)	152 522
Total	155 042							(732)	154 310



Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2024	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
Namibia	23	Sovereign rate and empirical	Ba1	43.7	1.35	0.16	1.35	–	23
Zimbabwe	456	Sovereign rate and empirical	C	100.0	1.35	10.00	10.00	(46)	410
South Africa	69 555	Empirical	Ba2	3.29	1.35	–	1.35	(941)	68 614
Total	70 034							(987)	69 047
90+ days									
South Africa	171 119	Empirical	Ba2	3.29	3.55	–	3.55	(6 067)	165 052

Intercompany balances

	Indicative amount at 30 June 2024	Measurement approach	Probability of default rating	Loss given default %	ECL % prior to adjustment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2024	Indicative ECL amount ZAR	Indicative net balance ZAR
Rectron	1 877	PD and LGD – RiskCalc	3.50%	55.9	0.71	–	0.71	(14)	1 863
Mustek East Africa	60	PD and LGD – RiskCalc	20.09%	55.7	0.43	0.48	0.48	–	60
Total	1 937							(14)	1 923
Total company									
ECL								(9 282)	

Individually assessed debtors:

The Group and company have identified specific debtors (debtors which have been handed over for legal action) and provided a further ECL % for these debtors based on the risk profile associated with each category as tabled below:

	ECL %	Group		Company	
		Indicative amount at 30 June 2025 R000	Indicative ECL amount R000	Indicative amount at 30 June 2025 R000	Indicative ECL amount R000
2025					
Category 1	1% - 20%	324 448	15 208	259 895	3 779
Category 2	20% - 80%	44 007	14 935	2 856	1 731
Category 3	80% - 100%	17 708	17 130	12 473	11 882
		386 163	47 273	275 224	17 392

Notes to the Financial Statements

20. Trade and other receivables (continued)

Individually assessed debtors:

	Group		Company	
	Indicative amount at 30 June 2024 R'000	Indicative ECL amount R'000	Indicative amount at 30 June 2024 R'000	Indicative ECL amount R'000
2024	ECL %			
Category 1	1% - 20%	77 598	4 671	18 532
Category 2	20% - 80%	26 240	10 134	4 577
Category 3	80% - 100%	47 132	43 254	30 726
		150 970	58 059	53 835
				32 685

Category 1 - debtors included in this category are impaired at 20% (2024: 20%) as a result of credit insurance being held for the remaining 80% (2024: 80%) of the debt. During the current year two significant debtors with a value of R293 million (inclusive of VAT) for Group and Company were included as part of the individual assessed debtors.

Category 2 - debtors included in this category relate to debtors with varying levels of security such as personal suretyships, cessions and guarantees. The assessment of recoverability results in an ECL of between 20% and 80% (2024: 20% and 80%).

Category 3 - debtors impaired at 100% are based on the probability that the debtor will be fully delinquent and low or no recoverability exists for this debt.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group limits its counterparty exposure arising from derivative instruments by only dealing with well-established financial institutions of high credit standing. The Group's exposure and the credit ratings of its counterparties are continually monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash and cash equivalents, forward exchange contracts, loans and receivables investments and trade and other receivables.

With respect to the forward exchange contracts, the Group's exposure is on the full amount of the foreign currency due on settlement. The Group minimises credit risk relating to forward exchange contracts by limiting the counterparties to major local and international banks, and does not expect to incur any losses as a result of non-performance by these counterparties.

Financial assets recorded in the financial statements, which are net of expected credit losses, represent the company and Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. (Refer to note 16, 17 and 18 and above)

The maximum credit exposure of forward exchange contracts is represented by the fair value of these contracts. (Refer to note 27)

The company holds collateral over certain trade and other receivables. The collateral is made up of demand guarantees from financial institutions and can be exercised on liquidation of the debtor. The collateral held by the group and company amounted to R296 million (2024: R546 million).

21. Cash and cash equivalents

Bank balances and cash comprise cash, funds on call and short-term deposits and are at amortised cost. The carrying amount of these assets approximates their fair value. These financial assets are recognised initially at fair value and subsequently measured at amortised cost. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Moody's credit ratings of the Group's major banking institutions are Aaa.za.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Bank balances and cash	225 675	303 596	64 078	105 917



Notes to the Financial Statements

22. Cash generated from operations

	Note	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Profit before taxation		46 825	40 158	17 215	76 073
Adjustments for non-cash items:					
Depreciation, amortisation	6	69 054	70 701	56 394	59 914
Write down of investment in subsidiary	16	-	-	-	6 793
Losses (profits) on disposals and scrappings of property, plant and equipment and intangibles	11	589	1 615	258	(60)
Unrealised foreign exchange (gains) losses	6	(22 344)	(40 872)	(7 827)	(27 858)
(Losses) / profit on equity - accounted investment	17	(6 316)	19 359	-	-
Allowance for obsolescence of inventory and inventory written off	19	(4 547)	(25 889)	(3 087)	(2 905)
Write off of loan payable to subsidiary due to deregistration	16	-	-	-	(10 212)
Impairment of investment in subsidiary	16	-	-	12 898	23 046
Impairment on investment in associate	17	-	13 743	-	-
Realisation of FCTR on liquidation of foreign subsidiary	9	-	782	-	-
Impairment of goodwill	14	-	3 205	-	-
Share-based payment expense	32	8 217	(5 371)	7 141	(3 992)
Movement in expected credit losses on trade receivables	20	24 007	25 265	9 507	9 853
Expected credit losses/(reversal of expected credit loss) of loans to subsidiaries	16	-	-	(4 868)	(2 754)
Fair value adjustments of FEC's	27	14 286	18 743	5 107	12 942
Expected credit losses of other loans	18	482	228	482	242
Gains due to deregistration of subsidiaries	16	-	(1 460)	-	-
Interest income	7	(15 579)	(14 356)	(7 731)	(4 717)
Dividends received	7	-	-	(41 736)	(63 297)
Finance costs	8	154 109	220 066	106 400	145 259
Changes in working capital:					
Inventories	19	607 283	463 824	451 912	135 386
Trade and other receivables	20	95 102	229 790	84 462	42 643
Trade and other payables	26	(257 102)	(961 039)	(55 456)	(366 200)
Contract assets	5	(6 312)	26 402	3 140	4 093
Contract liabilities	5	(20 378)	(24 205)	(16 482)	(653)
		687 376	60 689	617 729	33 596

Notes to the Financial Statements

23. Share capital and earnings per share

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Authorised				
Ordinary shares (000)	250 000	250 000	250 000	250 000
Reconciliation of number of shares issued and outstanding:				
Opening balance (000)	57 540	57 540	57 540	57 540
Ordinary shares in issue (000)	57 540	57 540	57 540	57 540
Shares held as treasury shares (000)	(3 408)	(3 408)	(3 408)	(3 408)
Number of shares outstanding (000)	54 132	54 132	54 132	54 132

The shares held in the Mustek Executive Share Trust are considered to be treasury shares.

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 24, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Group's board of directors reviews the capital structure on a semi-annual basis. As part of this review, the board considers the cost of capital and the risks associated with each class of capital. The group has a target debt-to-equity ratio of 60% : 40% (2024: 60% : 40%). The current debt-to-equity ratio is 59% : 41% (2024: 66% : 34%).

Earnings per share

Basic earnings per share

Basic earnings per share is based on earnings of R38.8 million (2024: R 21.4 million) and weighted average number of ordinary shares of 54.1 million (2024: 57.4 million). The net asset value per share is 2 869.71 cents (2024: 2801.15 cents).

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

	Group	
	2025 R'000	2024 R'000
Basic earnings per share		
From operations (c per share)	71.71	37.31
Diluted earnings per share		
From operations (c per share)	71.71	37.31
Headline earnings per share		
Headline earnings per share (c)	72.73	67.13
Diluted headline earnings per share (c)	72.73	67.13
Weighted average number of ordinary shares	54 131 857	57 353 763



Notes to the Financial Statements

23. Share capital and earnings per share (continued)

Share capital and earnings per share continued

	Note	2025 Gross R'000	Net R'000	2024 Gross R'000	Net R'000
Reconciliation between profit (loss) attributable to equity holders of the parent and headline earnings (loss) – Group					
Profit for the year attributable to equity holders of the parent		-	38 820		21 397
Basic earnings			38 820		21 397
Adjusted for:					
Group's share of (loss) profit on disposal scrapping/recoupmment of property, plant and equipment and intangible assets.	6	589	430	1 615	1 179
Exchange differences recycled to profit or loss on liquidation of foreign subsidiary	9	-	-	782	782
Gains on deregistration of subsidiaries	9	-	-	(1 460)	(1 460)
Impairment of associate	17	-	-	13 743	13 743
Write-off of goodwill	14	-	-	3 205	3 205
Remeasurement items included in associate equity-accounted earnings					
Group's share of loss (profit) on sale of property, plant and equipment		162	118	(470)	(343)
Headline earnings			39 368		38 503
Dividends per share					
Final (c)		7.50	-	77.00	-

The final dividend of 13.75 cents were declared and authorised after the end of the reporting period. The dividend has therefore not been recognised as a liability in the reporting period. It has been disclosed for information purposes only.

Notes to the Financial Statements

24. Borrowings and other liabilities

	Note	Group 2025 R'000	2024 R'000	Company 2025 R'000	2024 R'000
Held at amortised cost					
Secured					
Mortgage bond		30 197	32 720	-	-
Bank overdrafts		-	500 345	-	500 000
Unsecured					
Bank overdrafts	16	5 722	99 612	4 682	99 612
Loan from subsidiary		-	-	30 197	32 720
Total interest – bearing borrowings		35 919	632 677	34 879	632 332
Interest-free					
Unsecured					
Share-based payment liabilities – non-financial liability	32	5 385	1 167	4 802	892
Loans from subsidiaries – financial liabilities	16	-	-	66 006	104 108
Foreign currency liabilities	27	15 021	19 154	5 675	13 123
Total interest-free borrowings		20 406	20 321	76 483	118 123
Split between non-current and current portions					
Non-current liabilities - long term portion of share based payment liability		1 884	272	1 884	202
Current liabilities		54 441	652 726	109 478	750 253
Bank overdrafts		5 722	599 957	4 682	599 612
Mortgage bond		30 197	32 720	-	-
Short-term portion of share-based payment liability	26	3 501	895	2 918	690
Loans from subsidiaries	16	-	-	96 203	136 828
Foreign currency liabilities		15 021	19 154	5 675	13 123
Total borrowings		56 325	652 998	111 362	750 455
Trade and other payables at amortised cost	26	2 239 140	2 496 237	1 462 993	1 505 861
		2 295 465	3 149 235	1 574 355	2 256 316
Maturity analysis of undiscounted cashflows:					
The borrowings are repayable as follows:					
On demand - Loans from subsidiaries		-	-	66 006	104 017
On demand - bank overdrafts		5 764	626 054	4 724	625 709
Within 6 months - trade and other payables		2 266 319	2 519 405	1 485 396	1 522 783
Within 6 months -sharebased payment liabilities		3 501	895	2 918	690
Within 6 months - loan from subsidiary		-	-	30 908	36 279
Within 6 months - mortgage bond		30 908	-	-	-
Within 6 months - foreign currency liabilities		15 021	19 154	5 675	13 123
Within 6 to 12 months - mortgage bond		-	36 187	-	-
Within 12 to 24 months - sharebased payment liabilities		1 884	272	1 884	202
Less finance charges component		2 323 397 (27 932)	3 201 967 (52 732)	1 597 511 (23 156)	2 302 803 (43 487)
		2 295 465	3 149 235	1 574 355	2 259 316





Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

Additional information

Included in borrowings are the following:

Accounts receivable securitisation loans

During the current year Mustek Limited entered into a trade facility with ABSA which replaced the general banking facility with Bank of China. The maximum availability under this facility is R700 million and is secured over Mustek Limited's accounts receivable. This facility bears interest at Prime-1.75% and is renewable on 05 December 2025. The total facility is limited to 80% of trade receivables less than 120 days of age. It is the intention of the directors to renew the facility for a further period of 12 months. This facility is included as part of trade financing in note 26. The replacement facility has been treated as an extinguishment of the previous financial liability and the recognition of a new financial liability, in accordance with IFRS 9 Financial Instruments. The settlement of the old debt and the cash receipt relating to the new debt occurred simultaneously, however, they resulted in a cash outflow within financing activities and a cash inflow within operating activities, which are required to be presented separately as the offsetting criteria of IAS 7 are not satisfied.

Included in trade finance is a R50 million facility from Bank of China Limited relating to Rectron Proprietary Limited. The facility is secured over accounts receivable in Rectron Proprietary Limited (refer to note 20). A working capital ratio of more than 1.2, as well as a net debt to equity ratio not exceeding 120%, is required to be maintained by Rectron. Furthermore, the total facility of R150 million is limited to 90% of the trade receivables less than 120 days of age, in Rectron. All facility covenants were met in the current financial year.

During the 2020 financial year, Brotek Proprietary Limited, a company within the Group obtained a mortgage bond of R40 million. The variable interest rate is set at the prime rate less 0.75% and the loan term was 5 years ending in May 2025. The mortgage bond date was extended to 31 August 2025 whilst Nedbank and management renegotiated a new term loan facility. The new facility of R50 million was entered into on 18 August 2025 with an effective date of 29 August 2025. The variable interest rate is set at JIBAR + 2.51% and the term of the loan is 5 years. This has been disclosed as a subsequent event in note 35. The new term loan is secured by property, with a carrying amount of R 64.3 million (2024: R 64.3 million).

The mortgage bond, loans from subsidiaries and bank overdrafts are classified as financial liabilities measured at amortised cost. Interest is calculated using the effective interest method, and interest expense is recognised in the Statement of Comprehensive Income. Bank overdrafts do not form part of Mustek's cash management and does not fluctuate often, therefore are included under borrowings and not cash and cash equivalents.

The Group complied with all loan covenant requirements as at 30 June 2025, after adjusting for a once-off stock write-down of R32 million relating to sustainable energy stock. This adjustment was outside the Group's normal operations and above the Group's usual stock provisioning levels, and has been communicated to the lender as a non-recurring item.

Refer to note 25 for details of the movement in the borrowings during the reporting period.

Exposure to liquidity risk

Liquidity risk is the risk that the group or company will not be able to meet its financial obligations as they fall due. In terms of its borrowing requirements, the group and company ensure that adequate funds are available to meet its expected and unexpected financial commitments by maintaining adequate reserves, banking facilities, reserve borrowing facilities and matching the maturity profiles of financial assets and liabilities.

Borrowing powers,borrowing capacity and banking facilities

Included in this note is a listing of the group and company's borrowing powers, borrowing capacity and banking facilities. The following table details the group and company's remaining contractual balances for its non-derivative financial liabilities.

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

	Trade and other payables (note 26) R'000	Borrowings and overdrafts R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	Total R'000
Group 2025					
Non-interest-bearing	1 071 247	-	15 021	5 385	1 091 653
Variable interest rate instruments	1 167 893	35 919	-	-	1 203 812
	2 239 140	35 919	15 021	5 385	2 295 465
	Trade and other payables (note 26) R'000	Borrowings and overdrafts R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	Total R'000
Group 2024					
Non-interest-bearing	1 124 523	-	19 154	1 167	1 144 844
Variable interest rate instruments	1 371 714	632 677	-	-	2 004 391
	2 496 237	632 677	19 154	1 167	3 149 235
	Trade and other payables (note 26) R'000	Borrowings and overdrafts. R'000	Loan from subsidiaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000
Company 2025					
Non-interest-bearing	671 324	-	66 006	5 675	4 802
Variable interest rate instruments	791 669	4 682	30 197	-	-
	1 462 993	4 682	96 203	5 675	4 802
					1 574 355
	Trade and other payables (note 26) R'000	Borrowings and overdrafts R'000	Loan from subsidiaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000
Company 2024					
Non-interest-bearing	734 755	-	104 108	13 123	892
Variable interest rate instruments	774 106	599 612	32 720	-	-
	1 508 861	599 612	136 828	13 123	892
					2 259 316

In terms of the Memorandum of Incorporation, the company's borrowing powers are unlimited. The group and company have the following banking facilities amounting to R2.3 billion (2024: R2.8 billion) and R1.3 billion (2024: R1.7 billion) respectively:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
General overdraft and similar facilities	2 263 200	2 135 360	1 264 907	1 341 600
Letters of credit facilities	-	696 239	-	387 520
Total facilities	2 263 200	2 831 599	1 264 907	1 729 120
Utilised facilities	(1 203 712)	(2 006 564)	(796 250)	(1 375 236)
Unutilised facilities	1 059 488	825 035	468 657	353 884



Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

Exposure to currency risk

Refer to note 27 Financial instruments and financial risk management.

Exposure to interest rate risk

The group is exposed to interest rate risk as entities in the group borrow and lend funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate instruments. There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

The Group and company's interest rate profile consists of fixed and floating rate loans and bank balances which expose the Group and company to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Financial liabilities				
Trade finance facilities linked to SOFR	587 640	987 683	319 040	675 624
Trade finance facilities linked to JIBAR	149 999	740 000	99 999	600 000
Overdrafts and trade finance facilities linked to South African prime rates	467 074	278 882	407 409	132 332
	1 204 713	2 006 565	826 448	1 407 956
Financial assets				
Loans granted at fixed rates of interest	-	-	54 144	55 578
Bank balances and loans linked to South African prime rates	48 427	53 536	34 928	36 365
Bank balances linked to SOFR	-	6 446	-	-
Bank balances - minimal variable interest	173 462	214 780	31 777	71 948
Bank balances linked to Kenyan prime rates	3 397	1 098	-	-
Bank balances linked to other foreign prime rates	389	27 736	-	-
	225 675	303 596	120 849	163 891

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments and includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

In 2022 the Interest Rate Benchmark Reform -Phase 2 was effective for financial years beginning on or after 1 January 2021. None of these pronouncements had a significant impact on the group or company. The group and company will be impacted by the future replacement of JIBAR with a new benchmark rate, but this impact is not expected to be material. Current indications are that the new benchmark rate will not be effective until 2026.

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

	2025 Increase	2025 Decrease	2024 Increase	2024 Decrease
Group				
Increase or decrease in rate				
Impact on profit or loss:				
JIBAR 1% (2024: 1%)	(1 500)	1 500	(7 400)	7 400
South African Prime 1% (2024: 1%)	(5 155)	5 155	(2 253)	2 253
SOFR 1% (2024: 2%)	(5 876)	5 876	(19 625)	19 625
Other 1% (2024: 1%)	(1 772)	1 772	(2 436)	2 436
	(14 303)	14 303	(31 714)	31 714
Company				
Increase or decrease in rate				
Impact on profit or loss:				
JIBAR 1% (2024: 1%)	(1 000)	1 000	(6 000)	6 000
South African Prime 1% (2024: 1%)	(4 074)	4 074	(984)	984
SOFR 1% (2024: 2%)	(3 190)	3 190	(13 512)	13 512
Other 1% (2024: 1%)	-	-	(719)	719
	(8 264)	8 264	(21 215)	21 215

25. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2025

	Opening balance R'000	Accrued interest R'000	Foreign exchange move- ments R'000	New leases/ modifi- cations R'000	Total non- cash move- ments R'000	Interest payment R'000	Cash outflows R'000	Closing balance R'000
Group – 2025								
Mortgage bond	32 720	3 605	-	-	3 605	(3 605)	(2 523)	30 197
Lease liabilities	102 800	10 140	16	12 455	22 611	(10 140)	(24 191)	91 080
Bank overdrafts	599 957	-	-	-	-	-	(594 235)	5 722
Total liabilities from financing activities	735 477	13 745	16	12 455	26 216	(13 745)	(620 949)	126 999

	Opening balance R000	Accrued interest R000	Foreign exchange move- ments R000	New leases/ modifi- cations R000	Total non- cash move- ments R000	Interest payment R000	Cash outflows R000	Closing balance R000
Group – 2024								
Mortgage bond	34 994	3 440	-	-	3 440	(3 440)	(2 274)	32 720
Lease liabilities	68 036	6 159	50	64 320	70 529	(6 159)	(29 606)	102 800
Bank overdrafts	381 478	-	-	-	-	-	218 479	599 957
Total liabilities from financing activities	484 508	9 599	50	64 320	73 969	(9 599)	186 599	735 477

25. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Company - 2025



Notes to the Financial Statements

	Opening balance R'000	Accrued interest R'000	Other non-cash movements R'000	New leases/ modifications R'000	Total non-cash movements R'000	Cash inflow R'000	Interest payment R'000	Cash outflows R'000	Closing balance R'000
Company – 2025									
Lease liabilities	123 319	11 374	-	2 585	13 959	-	(11 374)	(26 185)	99 719
Loans from subsidiaries	136 828	3 605	(34 002)	-	(30 397)	24 167	-	(34 395)	96 203
Bank overdraft	599 612	-	-	-	-	-	-	(594 930)	4 682
Total liabilities from financing activities	859 759	14 979	(34 002)	2 585	(16 438)	24 167	(11 374)	(655 510)	200 604
	Opening balance R'000	Accrued interest R'000	Other non-cash movements R'000	New leases/ modifications R'000	Total non-cash movements R'000	Cash inflows R'000	Interest payment R'000	Cash outflows R'000	Closing balance R'000
Company – 2024									
Lease liabilities	90 033	7 982	-	62 865	70 847	-	(7 982)	(29 579)	123 319
Loans from subsidiaries	142 489	3 440	(10 212)	-	(6 772)	2 000	-	(889)	136 828
Bank overdraft	380 999	-	-	-	-	218 613	-	-	599 612
Total liabilities from financing activities	613 521	11 422	(10 212)	62 865	64 075	220 613	(7 982)	(30 468)	859 759

26. Trade and other payables

Note	Group 2025 R'000	2024 R'000	Company	2024 R'000
			2025 R'000	
Financial instruments at amortised cost:				
Trade payables	1 040 500	1 089 870	668 320	731 286
Letters of credit and trade finance payables	1 167 893	1 371 714	791 669	774 106
Other payables	21 369	26 471	275	1 363
Accruals	9 378	8 182	2 729	2 106
	2 239 140	2 496 237	1 462 993	1 508 861
Non-financial instruments:				
Short-term share-based payment liability 24, 32	3 501	895	2 918	690
VAT payable	1 991	1 205	-	-
Employee benefit accruals	43 247	43 852	26 458	28 962
	2 287 879	2 542 189	1 492 369	1 538 513

Notes to the Financial Statements

26. Trade and other payables (continued)

The maximum facility available, including bank overdrafts is R2.3 billion (2024: R2.8 billion) and R1.3 billion (2024: 1.7 billion) for the group and company respectively. For majority of the available facilities interest is calculated at either a variable rate linked to prime or SOFR (2024: variable rate linked to prime or SOFR). These facilities are carried at amortised cost, as the interest rate is market related and fair value therefore approximates amortised cost.

Trade payables credit terms are between 60 - 120 days for the group. The trade finance facilities supply a 90 - 150 day trade payment term to the group.

The trade finance payables are made up of import loans with several financial institutions. Under these arrangements:

- Suppliers receive direct payment from the financial institutions for settlement of outstanding invoices.
- The Group settles the obligation with the bank on the agreed settlement date which is between 90 days and 150 days after the bank has made payment to supplier.
- The legal obligations remains with the Group until the payment has been made to the bank.
- There are no additional terms and conditions for these arrangements other than those disclosed in note 26.

Trade payables and trade finance payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases stated is 132 days (2024: 124 days).

Included in employee benefit accruals above are the following:

- Leave pay accrual: Employee entitlements to annual leave are recognised as services are rendered. An accrual, based on total employment cost, is raised for the estimated liabilities as a result of services rendered by employees up to reporting date.
- Bonus accrual: The bonus accrual relates to the annual 13th cheque and other performance bonuses payable to employees of the Group and the company.

Exposure to currency risk

Refer to note 27 financial instruments and financial risk management for details of currency risk management for trade payables.



Notes to the Financial Statements

27. Financial instruments and risk management

Categories of financial assets

Group - 2025	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Other loans	18	-	15 042	15 042
Trade and other receivables	20	-	1 326 150	1 326 150
Foreign currency asset		734	-	734
Cash and cash equivalents	21	-	225 675	225 675
		734	1 566 867	1 567 601

Group - 2024	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Other loans	18	-	10 605	10 605
Trade and other receivables	20	-	1 452 160	1 452 160
Foreign currency asset		411	-	411
Cash and cash equivalents	21	-	303 596	303 596
		411	1 766 361	1 766 772

Company - 2025	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Loans to subsidiaries	16	-	59 935	59 935
Other loans	18	-	35 512	35 512
Trade and other receivables	20	-	987 020	987 020
Foreign currency asset		568	-	568
Cash and cash equivalents	21	-	64 078	64 078
		568	1 146 545	1 147 113

Company - 2024	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Loans to subsidiaries	16	-	53 221	53 221
Other loans	18	-	34 026	34 026
Trade and other receivables	20	-	1 126 704	1 126 704
Foreign currency asset		181	-	181
Cash and cash equivalents	21	-	105 917	105 917
		181	1 319 868	1 320 049

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000		Leases R'000	Total R'000
Trade and other payables	26	-	2 239 140	-	-	2 239 140
Borrowings and other liabilities	24	-	30 197	-	-	30 197
Foreign currency liabilities		15 021	-	-	-	15 021
Lease liabilities	13	-	-	91 080	91 080	91 080
Bank overdraft	21	-	5 722	-	-	5 722
		15 021	2 275 059	91 080	91 080	2 381 160
Group - 2024	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000		Leases R'000	Total R'000
Trade and other payables	26	-	2 496 237	-	-	2 496 237
Borrowings and other liabilities	24	-	32 720	-	-	32 720
Foreign currency liability		19 154	-	-	-	19 154
Lease liabilities	13	-	-	102 800	102 800	102 800
Bank overdraft	21	-	599 957	-	-	599 957
		19 154	3 128 914	102 800	102 800	3 250 868
Company - 2025	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000		Leases R'000	Total R'000
Trade and other payables	26	-	1 462 993	-	-	1 462 993
Loans from subsidiaries	16	-	96 203	-	-	96 203
Foreign currency liabilities		5 675	-	-	-	5 675
Lease liabilities	13	-	-	99 719	99 719	99 719
Bank overdraft	21	-	4 682	-	-	4 682
		5 675	1 563 878	99 719	99 719	1 669 272
Company - 2024	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000		Leases R'000	Total R'000
Trade and other payables	26	-	1 508 861	-	-	1 508 861
Loans from subsidiaries	16	-	136 828	-	-	136 828
Foreign currency liabilities		13 123	-	-	-	13 123
Lease liabilities	13	-	-	123 319	123 319	123 319
Bank overdraft	21	-	599 612	-	-	599 612
		13 123	2 245 301	123 319	123 319	2 381 743



Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Financial risk management

Overview

The board has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the Risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group audit and risk committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit and risk committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee. Liquidity risk and interest rate risk are disclosed in note 24.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Refer to note 16,17,18 and 20.

Group		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Other loans	18	19 005	(3 963)	15 042	23 232	(9 677)	13 555
Trade and other receivables	20	1 392 186	(66 036)	1 326 150	1 525 054	(72 894)	1 452 160
Foreign currency asset		734	-	734	411	-	411
Cash and cash equivalents	21	225 675	-	225 675	303 596	-	303 596
		1 637 600	(69 999)	1 567 601	1 852 293	(82 571)	1 769 722

Company		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to subsidiaries	16	112 024	(52 089)	59 935	110 178	(56 957)	53 221
Other loans	18	39 683	(4 171)	35 512	37 765	(3 739)	34 026
Trade and other receivables	20	1 013 976	(26 956)	987 020	1 168 671	(41 967)	1 126 704
Foreign currency asset		568	-	568	181	-	181
Cash and cash equivalents	21	64 078	-	64 078	105 917	-	105 917
		1 230 329	(83 216)	1 147 113	1 422 712	(102 663)	1 320 049

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. It is the Group's policy to enter into foreign exchange forward contracts of foreign currencies for approximately 50% - 70% of the Group's foreign currency commitments. The Group uses contracts with terms of up to 120 days. The contracts are entered into to manage the Group's exposure to fluctuations in foreign currency exchange rates, as a means of economic hedging. The foreign currencies in which the group deals primarily are US Dollars and Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

	Note	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
US Dollar exposure					
Non-current assets					
Loans to subsidiaries	16	-	-	54 144	55 788
Current assets					
Trade and other receivables	20	178 800	55 724	115 686	19 699
Cash and cash equivalents	21	49 599	6 446	31 712	-
Current liabilities					
Trade and other payables	26	(1 292 198)	(1 453 553)	(665 601)	(755 668)
Net US Dollar exposure		(1 063 799)	(1 391 383)	(464 059)	(680 181)
Euro exposure					
Current assets					
Trade and other receivables	20	13	-	13	-
Cash and cash equivalents	21	2	2	-	-
Current liabilities					
Trade and other payables	26	(5 733)	(229 077)	(5 733)	229 077
Net Euro exposure		(5 718)	(229 075)	(5 720)	229 077
Other currency exposure					
Current assets					
Trade and other receivables	20	21 632	-	-	-
Cash and cash equivalents	21	3 783	28 833	-	-
Current liabilities					
Trade and other payables	26	(17 894)	-	(1 931)	-
Net other currency exposure		7 521	28 833	(1 931)	-
Net exposure to foreign currency in Rand		(1 061 996)	(1 591 625)	(471 710)	(451 104)

* Other currencies include Australian Dollar, British Pound, Taiwanese Dollar and Kenyan Shillings (2024: Australian Dollar, British Pound, Taiwanese Dollar and Kenyan Shillings).



Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Forward exchange contracts – financial assets and liabilities at fair value through profit or loss

Forward exchange contracts have been entered into for the purposes of managing foreign currency risk. The net market value of all forward exchange contracts at reporting date is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date and are detailed below:

	Contract rate R'000	Contract foreign currency amount R'000	Contract Rand amount R'000	Fair value of contract R'000
Group – 2025				
Buy				
US Dollars – less than three months	18.204	38 660	703 777	(14 213)
US Dollars – three to six months	17.875	8 000	142 853	(74)
			846 630	(14 287)
Foreign currency assets				734
Foreign currency liabilities				(15 021)
				(14 287)
Group – 2024				
Buy				
US Dollars – less than three months	18.462	43 762	807 934	(11 250)
US Dollars – three to six months	18.300	2 000	36 600	138
Euro – less than three months	20.077	13 750	276 059	(7 631)
			1 120 593	(18 743)
Foreign currency assets				411
Foreign currency liabilities				(19 154)
				(18 743)

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

	Contract rate R'000	Contract foreign currency amount R'000	Contract Rand amount R'000	Fair value of contract R'000
Company – 2025				
Buy				
US Dollars – less than three months	18.081	20 300	367 049	(4 900)
US Dollars – three to six months	17.805	4 000	71 220	(207)
			438 269	(5 107)
Foreign currency assets				568
Foreign currency liabilities				(5 675)
				(5 107)

Forward exchange contracts – financial assets and liabilities at fair value through profit or loss

	Contract rate R'000	Contract foreign currency amount R'000	Contract Rand amount R'000	Fair value of contract R'000
Company – 2024				
Buy				
US Dollars – less than three months	18.355	28 812	528 844	(5 312)
Euro – less than three months	20.077	13 750	276 059	(7 630)
			804 903	(12 942)
Foreign currency assets				181
Foreign currency liabilities				(13 123)
				(12 942)

The following significant exchange rates applied for both the Group and the company during the year:



Notes to the Financial Statements

27. Financial instruments and risk management (continued)

	Average spot rate		Closing spot rate	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
US Dollar	18.16	18.71	17.77	18.22
Euro	19.76	20.24	20.83	19.50

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group (South African Rand) to an increase or decrease in the respective major currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts, such as cash balances, trade receivables, trade payables and loans and adjusts their translation at the reporting date. The increase and decrease impact of the change are equal on the basis that all other variables remain constant. It ignores the effect of any foreign exchange forward contracts that would have mitigated the risk. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025 R'000	2025 R'000	2024 R'000	2024 R'000
Group				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:	Decrease	Increase	Decrease	Increase
US Dollar 10% (2024: 10%)	(106 380)	106 380	(139 138)	139 138
Euro 10% (2024: 10%)	(572)	572	(22 908)	22 908
	(106 952)	106 952	(162 046)	162 046
Company				
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:	Decrease	Increase	Decrease	Increase
US Dollar 10% (2024: 10%)	(46 406)	46 406	(68 018)	68 018
Euro 10% (2024: 10%)	(572)	572	(22 908)	22 908
	(46 978)	46 978	(90 926)	90 926

Notes to the Financial Statements

28. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value.

Levels of fair value measurements	Note	Group		Company		
		2025 R'000	2024 R'000	2025 R'000	2024 R'000	
Level 2						
Recurring fair value measurements						
Assets						
Fair value through profit or loss						
Forward exchange contracts	27	734	411	568	181	
Liabilities						
Fair value through profit or loss						
Forward exchange contracts	27	15 021	19 154	5 675	13 123	
Total		(14 287)	(18 743)	(5 107)	(12 942)	

Level 2 financial assets and liabilities consist of assets and liabilities arising from open forward exchange contracts. Forward exchange contracts are measured at fair value through profit or loss in accordance with IFRS 9.

Valuation techniques

Investment Property – level 3 (disclosure only)

Level 3 fair values of the investment property in Nairobi (refer note 12) being R35.7 million to R35 million was determined using a blend of the cost and income approaches within in the last two financial years.

Cost approach: The cost approach values real estate properties based on the cost it would take to build an equivalent building. The assumption is that a buyer would not pay more for a property when a comparable newly built property costs less. The method adopts the current estimated construction cost of the region and applies a reasonable rate of depreciation.

Income approach: It involves capitalizing streams of yearly income. The streams of income are subjected to appropriate rate of outflows including actual vacancy rates, management fees, security, building maintenance among other costs over the years. The net streams of income are then capitalized by a market return of 8% to arrive at a capital value by factoring in the resultant Year Purchase (YP).

Forward currency contracts – level 2

The fair value of these assets and liabilities are based on valuations received from the financial institutions with which the contracts are held. These valuations are based on the difference between contract exchange rate and the exchange rate at the end of the reporting period.

No changes have been made to the valuation technique.



Notes to the Financial Statements

29. Employee costs and retirement benefit plans

As at 30 June 2025 the group had 1 112 permanent employees (2024: 1 335) and the company 613 (2024: 716). Employee benefits expense is made up of the following for all employees, including executive directors:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Employee costs				
Employee salaries and wages	486 041	491 593	281 499	291 980
Share based payment / (reversal of expense)	8 218	(5 458)	7 141	(3 992)
Pension contributions (defined contribution plan)	1 898	1 886	-	-
Learnerships	5 717	6 167	4 134	3 338
Temporary staff	8 468	10 791	7 086	10 320
	510 342	504 979	299 860	301 646

Contributions to defined contribution retirement benefit plans are recognised as an expense as they fall due.

The Mustek Group Retirement Fund, a defined contribution fund, was established with effect from 1 January 1998. The fund has been registered by the Registrar of Pension Funds and is governed by the Pension Funds Act No 24 of 1956 as amended. The majority of the Group's employees belong to this fund with employees making direct contributions to the fund.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Total employee costs				
Direct employee costs included in cost of sales	31 296	28 812	17 793	20 896
Indirect employee costs included in operating expenses	479 046	476 167	282 067	280 568
	510 342	504 979	299 860	301 464

30. Guarantees and contingent liabilities

Limited guarantees

- Standby letter of credit issued by HSBC in favour of Intel International BV for R7.1 million.
- R0.4 million guarantee issued by RMB of payment in favour of Growthpoint Properties Limited.
- R5.8 million guarantee issued by Standard Bank in favour of the South African Revenue Service.
- R6.4 million guarantee issued by ABSA bank in favour of pending CCMA case of R9.8 million. See legal disputes.
- R9.7 million guarantee issued by HSBC bank in favour of pending CCMA case of R28.7 million. See legal disputes.

Legal disputes

There are 2 separate pending CCMA arbitration cases against Mustek Limited to the value of R9.8 million and R28.7 million respectively. Both cases are under review in the labour court of South Africa.

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Notes to the Financial Statements

31. Related parties

The Group and company had the following major related parties and transactions:

Subsidiaries	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2025			
Related party			
Brotek Proprietary Limited	Loan	(3 604)	(88 624)
	Rent	(7 727)	-
	Cost	(554)	-
	recoveries		
Cyberantix Proprietary Limited	Sales	113	-
	Loan	1 100	12 618
Mecer Inter-Ed Proprietary Limited	Sales	612	594
	Purchases	(3 701)	(1 150)
	Rent	2 358	87
	Cost	784	-
	recoveries		
Mecer Technology Limited	Dividends	10 000	-
	Management fee	(8 760)	(709)
	Dividends	7 489	-
Mustek East Africa Limited (Note 2)	Sales	2 053	922
	Loan	1 109	54 144
Rectron Proprietary Limited (Note 1)	Sales	48 135	4 485
	Purchases	(137 779)	(21 270)
	Other costs	(1 332)	(170)
	Cost	2 938	437
	recoveries		
Zatophase Proprietary Limited	Loan	-	(7 579)
Quickstep 94 Proprietary Limited	Dividends	15 272	-
	Dividends	8 975	-

Note: Refer to note 16 for a list of subsidiaries, their related loans and impairment and further details about these entities.

Note 1: Amounts receivable or payable are unsecured and no guarantees have been given or received. Refer to note 20 for details on expected credit loss allowance on amounts receivable.

Note 2: Refer to note 16 on details of gross values and impairment on loans receivable from subsidiaries.



Notes to the Financial Statements

31. Related parties (continued)

Subsidiaries	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2025			
Related party			
Continuous Power Systems Proprietary Limited (Note 1)	Sales	70	13
	Purchases	(13 574)	(1 368)
	Cost	470	-
	recoveries		
	Loan	-	1 300
Khauleza IT Solutions Proprietary Limited	Sales	1 032	2
	Purchases	(1 896)	(233)
	Rent	140	14
Yangtze Optics Africa Holdings Proprietary Limited	Sales	311	12
	Purchases	(287)	-

Note 1: Refer to note 17 for details of the loan owing by Continuous Power Systems Proprietary Limited.

Other related parties – company

Subsidiaries	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2025			
Related party			
Mustek Executive Share Trust	Loan	-	31 153
	Dividend	(255)	-

Notes to the Financial Statements

31. Related parties (continued)

Subsidiaries	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2024			
Related party			
Brotek Proprietary Limited	Loan	(3 440)	(85 249)
	Rent	(7 304)	–
	Cost recoveries	(498)	–
	Sales	985	417
Mecer Inter-Ed Proprietary Limited	Purchases	(5 230)	–
	Rent	2 245	–
	Cost recoveries	1 418	–
	Loan	–	(14 000)
Mecer Technology Limited	Purchases	(1 365)	(739)
	Management fees	(9 030)	–
	Dividends	12 297	–
Mustek East Africa Limited (Note 2)	Loan	1 151	55 788
	Sales	779	60
Rectron Proprietary Limited (Note 1)	Sales	95 713	2 138
	Purchases	(188 182)	(13 342)
	Other costs	2	–
	Dividends	51 000	51 000
	Cost recoveries	713	–
	Loan	–	(37 579)

Note 1: Amounts receivable or payable are unsecured and no guarantees have been given or received. Refer to note 20 for details on ECL allowance on amounts receivable. No amount has been recognised in respect of bad or doubtful debts due from the related party.

Note 2: Refer to note 16 on details of gross value and impairment on loans receivable from subsidiaries.



Notes to the Financial Statements

31. Related parties (continued)

Subsidiaries	Type of transaction	Amount of transaction (paid) received R'000	Amount (payable) receivable R'000
2024			
Related party			
Continuous Power Systems Proprietary Limited (Note 1)	Loan	–	1 300
	Sales	155	19
	Purchases	(14 770)	(1 878)
	Cost recoveries	478	–
Sizwe Africa IT Group Proprietary Limited	Sales	70 137	17 208
	Purchases	(4 329)	(237)
Khauleza IT Solutions Proprietary Limited	Sales	1 347	57
	Purchases	(2 216)	(319)
	Rent	130	–
Yangtze Optics Africa Holdings Proprietary Limited	Sales	41	31
	Purchases	(758)	–

Note 1: Refer to note 17 for a complete list of associates and details of loans.

Other related parties – company

Subsidiaries	Type of transaction	Amount of transaction (paid) received R'000	Amount (payable) receivable R'000
2024			
Related party			
Mustek Executive Share Trust			
	Loan	–	34 370
	Dividend	(892)	–

The directors have certified that they were not materially interested in any transaction of any significance with the company or any of its subsidiaries. Accordingly, a conflict of interest with regards to directors' interest in contracts does not exist.

Key management personnel compensation

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Short-term employee benefits	54 513	56 782	39 024	38 920
Share appreciation rights (benefit) expense	8 217	(5 458)	7 141	(3 992)
	62 730	51 324	46 165	34 928

Notes to the Financial Statements

32. Directors' emoluments and share-based payments

Directors' emoluments, consisting of short-term benefits during the year, were as follows:

	2025 R'000	2024 R'000
Total directors' emoluments		
Executive	16 875	14 451
Non-executive	2 625	2 158
	19 500	16 609

Executive 2025

Directors' emoluments	Basic salary R'000	Bonus and per- formance related payments R'000	Expense allowance R'000	Fringe benefit on interest free loan R'000	Share appre- ciation rights exercised	Total R'000
				R'000		
Services as director						
H Engelbrecht	6 037	-	270	883	863	8 053
CJ Coetze	4 160	-	96	48	711	5 015
S Aboo Baker Ebrahim	3 807	-	-	-	-	3 807
	14 004	-	366	931	1 574	16 875

Executive 2024

Directors' emoluments	Basic salary R'000	Bonus and per- formance related payments R'000	Expense allowance R'000	Fringe benefit on interest free loan R'000	Total R'000
				R'000	
Services as director					
H Engelbrecht	5 680	-	270	980	6 930
CJ Coetze	3 919	-	96	76	4 091
S Aboo Baker Ebrahim	3 430	-	-	-	3 430
	13 029	-	366	1 056	14 451

Non-executive 2025

Directors' emoluments		Fees for services as director R'000	Total R'000
		R'000	
I Mophatlane		732	732
RB Patmore		655	655
S Thomas		694	694
PM Marlowe		544	544
		2 625	2 625



Notes to the Financial Statements

32. Directors' emoluments and share-based payments (continued)

Non-executive 2024

Directors' emoluments	Fees for services as director R000	Total R000
I Mophatlane	425	425
VC Mehana	233	233
ME Gama	-	-
RB Patmore	518	518
S Thomas	543	543
PM Marlowe	439	439
	2 158	2 158

Outstanding non-executive director fees of R1.4 million (2024: R0.9 million) are included in trade and other payables.

Directors' shareholding

At 30 June 2025, the directors in office at year end collectively held the following direct and indirect interests in shares in the company, which represents 4.9% (2024: 4.6%) of the issued share capital of the company. (No change occurred between 30 June 2025 and 19 September 2025):

	Beneficial			
	Direct		Indirect	
	2025	2024	2025	2024
H Engelbrecht	1 750 000	1 750 000	-	-
CJ Coetze (Note 1)	888 743	888 743	-	-
	2 638 743	2 638 743	-	-

These shareholdings exclude phantom share options held. The remainder of the directors do not hold any shares.

Note 1: Includes 496 666 (2024: 496 666) shares held through contracts for difference.

Share-based payments

Share appreciation rights scheme

The object and purpose of the scheme is to incentivise certain selected senior employees by granting phantom share options to such employees to enable them to benefit from an improvement in the price of the company's shares as listed on the JSE, in the manner and on the terms and conditions set out in the Scheme.

The directors may, on an annual basis or from time to time, grant options to employees selected by the Remuneration and Nominations Committee. The Remuneration and Nominations Committee shall determine the number of share appreciation rights (SARS). The price at which SARS may be granted will be the average market price of the ordinary shares of the company on the JSE, as certified by the Company Secretary, for trading days in June immediately preceding that on which the employee is granted the phantom share option. All SARS granted will remain in force for a period of six months after the vesting period of 3 years.

SARS may only be exercised by an employee or retired employee subject to the achievement of certain performance hurdles that may be determined by the directors from time to time.

The price at which SARS may be exercised will be the weighted average market price of the ordinary shares of the company on the JSE, for the 30 days immediately preceding that on which the employee is exercising the phantom share option. Upon the exercising of the SARS, the employee will be paid an amount determined as the difference between the exercise price and the grant price multiplied by the number of SARS, less any tax that may at that time be applicable to such a cash bonus.

The total liability at year end amounted to R5.4 million (2024: R1.2 million) and R4.8 million (2024: R0.9 million) for group and company respectively.

Notes to the Financial Statements

32. Directors' emoluments and share-based payments (continued)

	Weighted average price (Rands)		Number of options	
	2025	2024	2025	2024
Phantom shares outstanding at the beginning of the year	14.69	12.83	4 742 490	2 731 942
Phantom shares granted during the year	9.23	16.77	3 169 929	2 296 568
Phantom shares exercised during the year	10.17	-	(1 285 852)	-
Phantom shares that lapsed during the year	11.17	12.68	(2 411 143)	(286 020)
Phantom shares outstanding at year-end	14.42	14.69	4 215 424	4 742 490

A total of 3 169 929 phantom shares were granted to a number of employees during the current financial year. 1 285 852 shares were exercised during the financial year. The shares that lapsed related to a combination of employees leaving as well as employees that took up the comparable offer by Novus Packaging (Pty) Ltd per the joint circular released on 30 May 2025.

The fair values were calculated using a trinomial tree that adheres to all the binomial option-pricing model principles. All these share options are cash settled. The inputs into the model were as follows:

	30 June 2025	30 June 2024
Share price	14.10	9.78
Grant date	Sep 2022 / Sep 2023 / Sep 2024	Sep 2021 / Sep 2022 / Sep 2023
Grant price	R15.64 / R16.77 / R9.23	R10.17 / R15.64 / R16.77
Fair value	R1.14 / R2.25 / R6.56	R0.62 / R0.32 / R0.49
Expected volatility	44.00% / 42.00% / 40.00%	34.00% / 35.00% / 32.50%
Expected life	0 years / 1 year / 2 years	0 years / 1 year / 2 years
Risk-free rate	7.36% / 7.25% / 7.15%	8.49% / 8.28% / 8.06%
Expected dividend yield	0.50% / 1.00% / 1.00%	5.50% / 5.50% / 5.00%

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous 4 years. The Group and company recognised an expense of R8.2 million and R7.1 million respectively (2024 expense reversal of: R5.4 million and R4.0 million, respectively) related to cash-settled share appreciation rights during the current year.

Outstanding phantom shares are exercisable at the following values and in the following periods ending 30 June:

Option price	2026	2027	2028	Number of undelivered phantom shares
R 15.64	1 093 700	-	-	1 093 700
R 16.77		1 972 890	-	1 972 890
R 9.23		-	1 148 834	1 148 834
	1 093 700	1 972 890	1 148 834	4 215 424



Notes to the Financial Statements

32. Directors' emoluments and share-based payments (continued)

The directors have the following phantom share options outstanding:

Undelivered phantom shares at 30 June 2025

Grant date	Grant price	S Aboo Baker			CJ Coetze	Total
		Ebrahim	H Engelbrecht			
30 September 2022	R 15.64	125 506	179 294	152 400	457 200	
14 September 2023	R 16.77	262 025	308 264	262 025	832 314	
18 September 2024	R 9.23	361 670	425 494	361 670	1 148 834	
		749 201	913 052	776 095	2 438 348	

Reconciliation of outstanding director phantom shares	Strike price/exercise price	Date awarded/exercised/lapsed	S Aboo Baker			CJ Coetze	Total
			Ebrahim	H Engelbrecht			
Opening balance			387 531	712 913	600 012	1 700 456	
Phantom shares granted	9.23	18 September 2024	361 670	425 494	361 670	1 148 834	
Phantom shares exercised	10.17	10 October 2024	-	(225 355)	(185 587)	(410 942)	
Closing balance	-	-	749 201	913 052	776 095	2 438 348	

33. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group complied with all loan covenant requirements as at 30 June 2025, after adjusting for a once-off stock write-down of R32 million relating to sustainable energy stock. This adjustment was outside the Group's normal operations and above the Group's usual stock provisioning levels, and has been communicated to the lender as a non-recurring item.

Looking ahead, management is confident that the Group and company will continue to meet its financial obligations in full and on time. A primary focus for the 2025 financial year was enhancing the Group's financial position through effective working capital management. This strategic approach led to a reduction in borrowings over the year, thereby fortifying the Group's Statement of Financial Position. Maintaining robust working capital management continues to be a priority for the relevant components of the Group.

The Group and company remains financially sound, with adequate resources to maintain its current operations and manage future obligations.

The group has prepared financial forecasts for the next financial year. The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis after considering the forecasts and the following:

- The group continues to have the ongoing support of its banking group and access to undrawn facilities of R1 059 million (refer note 24) as well as R226 million in cash and cash equivalents as at 30 June 2025;
- Subsequent to year-end, the Group realised significant cash inflows from working capital releases. Collections from trade receivables of R170 million relating to overdue accounts were received, resulting in an overall improvement in liquidity. These cash inflows were not reflected in the year-end statement of financial position but have strengthened the Group's ability to meet its obligations as they fall due;
- As at 30 June 2025, the group had R1 066 million in net working capital, no significant capital commitments and lease commitments of R35 million due within one year.

Notes to the Financial Statements

34. Tax paid

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Balance at beginning of the year	(1 936)	(9 621)	3 401	(7 359)
Current tax recognised in profit or loss	(8 993)	(6 439)	-	(289)
Aquisition of subsidiary (note 37)	(944)	-	-	-
Balance at end of the year	(2 990)	1 936	(6 529)	(3 401)
	(14 863)	(14 124)	(3 128)	(11 049)

35. Events after the reporting period

- 35.1 Effective 1 August 2025, Mustek acquired a 51% equity interest in a newly incorporated entity, Business AI (Pty) Limited. Business AI is developing a dedicated B2B marketplace portal for artificial intelligence, providing enterprises with a single, trusted environment to access vetted AI vendors, products, platforms, solution providers and data centers. This accredited portal model ensures that businesses can adopt AI with confidence, knowing that each listing has been reviewed for quality, relevance, and security before becoming accessible.
- 35.2 Post year end management committed to a plan to dispose of its Investment Property held in Kenya (refer note 12). The property is being actively marketed, and the property is now classified as held for sale. The property was transferred to held for sale on 24 July 2025 at its carrying value.
- 35.3 Effective 29 August 2025, Brotek (Pty) Ltd entered into a term loan facility with Nedbank. The value of the facility is R50 million and the term is five years. The interest rate applicable to the facility is JIBAR + 2.51%. The facility is secured by properties with a carrying amount of R64.3 million

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report that requires adjustment to or disclosure in the annual financial statements.

36. Non-current assets held for sale

Mustek Limited owns 100% of Zatophase Proprietary Limited. Zatophase Proprietary Limited owned 40% of Zaloserve, the holding company of Sizwe Africa IT Group Proprietary Limited (Sizwe).

During the prior financial year the group decided to sell its investment in Zaloserve Proprietary Limited. R15 million represents the offer to purchase that Mustek had accepted. Prior to the transfer to non-current asset held for sale an impairment of R13.7 million was recognised. The sales was finalised in the current year.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Non-current assets held for sale				
Opening balance	15 000	-	-	-
Transfers from investment in associate (note 17)	-	15 000	-	-
Sold in current year	(15 000)	-	-	-
Closing balance	-	15 000	-	-



Notes to the Financial Statements

37. Business combinations

Cyberantix Proprietary Limited

Mustek acquired 70% equity interest in Cyberantix Proprietary Limited on 12 September 2024. Mustek acquired the 70% for R8.1 million and a loan receivable of R11.9 million from Sizwe Africa IT Group (refer to note 16). Cyberantix is a SOCaas (Security Operations Centre-as-a-Service) company. They offer state-of-the-art implementation of managed cybersecurity services, focusing on managed detection and response with associated advanced services (proactive hunting, forensics code reviews, vulnerability assessments, etc).

The investment in Cyberantix aligns with Mustek's current strategy. The synergy between Mustek and Cyberantix will allow the Group to offer a wider range of services to their customers.

The goodwill attributable to this acquisition is R7.7 million and has been included in the Group's statement of financial position (refer to note 14). The main factors attributable to the goodwill recognised relate to the synergy benefits of the additional service offering that Mustek can provide to the customers of the Group.

	Group 2025 R'000
Fair value of assets acquired and liabilities assumed	
Property, plant and equipment	598
Intangible assets - customer contracts	890
Deferred tax	382
Trade and other receivables	12 443
Cash and cash equivalents	1 063
Deferred tax on intangible asset	(240)
Loans from previous shareholder	(11 868)
Trade and other payables	(1 675)
Current tax payable	(944)
Total identifiable net assets	649
Non-controlling interest at 30%	(195)
Goodwill	7 678
	8 132
Non-controlling interest	
Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.	
Total purchase consideration	(20 000)
Loan from previously held shareholder	11 868
Consideration	8 132
Consideration offset against trade receivables owing by previous shareholder	(8 132)
Cash aquired from investment in subsidiary	1 063
Investment in subsidiary net of cash acquired	1 063

Revenue and profit or loss of Cyberantix Proprietary Limited and impact on the Group

Notes to the Financial Statements

37. Business combinations (continued)

	Group	2025 R'000	2024 R'000
Profit after tax since acquisition date included in the consolidated results for the year	2 915	-	-
Revenue since acquisition date included in the consolidated results for the period	30 880	-	-
Group profit after tax if Cyberantix has been included for the entire year	39 725	-	-
Group revenue if Cyberantix has been included for the entire year	7 187 780	-	-

38. Prior period error - Group

In the prior year, an amount of R58 million was incorrectly included in both revenue and cost of sales as the transactions were accounted for gross (as principle). The correction removes the amount incorrectly included in cost of sales and reduces the revenue recognised with the same amount resulting in the revenue relating to these arrangement being presented net (as agent). Additionally, employee related costs of R7.9 million which were incurred in generating the agency-related revenue, should have been included in cost of sales as these costs were directly attributable to the company's role as an agent in the distribution of the relevant products. The 2024 Group statement of comprehensive income was restated and the impact of the error for the Group is noted in the table below:

The impact of the above-mentioned error did not have an impact on the prior year

- earnings per share;
- diluted earnings per share;
- headline earnings per share;
- diluted headline earnings per share;
- group statement of financial position;
- group cash flows;
- the opening retained earnings for group; or
- the group profit.

The correction of the error results in adjustments as follows:

Statement of comprehensive income

	2024 previously reported	Prior period error	2024 restated
Revenue	8 507 282	(57 990)	8 449 292
Cost of sales	(7 467 164)	49 999	(7 417 165)
Gross profit	1 040 118	(7 991)	1 032 127
Operating expenses - employee costs	(504 979)	7 991	(496 988)
Profit for the year	21 397	-	21 397





GLOSSARY



GLOSSARY

Term	Definition
AI (Artificial Intelligence)	Technology that simulates human intelligence to perform tasks like decision-making, automation, and language processing.
AGM (Annual General Meeting)	A yearly meeting where shareholders review company performance, vote on key matters, and engage with leadership.
ARC (Group Audit and Risk Committee)	Board sub-committee overseeing financial reporting, risk management, and internal controls.
B-BBEE (Broad-Based Black Economic Empowerment)	A government policy to promote economic inclusion and transformation in South Africa.
Board of Directors	A group of elected individuals overseeing strategic direction, governance, and performance.
Business Continuity	Preparedness strategies to maintain operations during disruptions (e.g., power failures, cyber incidents).
CAPEX (Capital Expenditure)	Money spent to acquire or upgrade physical assets such as buildings or equipment.
CCMA (Commission for Conciliation, Mediation and Arbitration)	A statutory body resolving labour disputes in South Africa.
CPS Technologies	An associate company of Mustek Group in which Mustek holds a 40% shareholding.
Cyberantix	Mustek's cybersecurity subsidiary offering managed SOC services and cyber threat protection.
Digital Divide	The socio-economic gap between those with digital access and those without.
Dividend per Share (DPS)	A portion of a company's profit distributed to shareholders.
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation – an indicator of operating performance.
EPR (Extended Producer Responsibility)	Legislation requiring companies to manage the lifecycle and recycling of their products.
ESG (Environmental, Social and Governance)	Metrics and strategies used to assess a company's sustainability and ethical practices.
EXCO (Executive Committee)	Senior leaders responsible for daily operations and strategic execution.
FIC (Financial Intelligence Centre)	Regulatory body monitoring financial crimes such as money laundering.
FY25	Financial Year 2025: 1 July 2024 to 30 June 2025.
GNU (Government of National Unity)	A multi-party South African government formed post-2024 elections.
GHG (Greenhouse Gas)	Gases like CO ₂ that contribute to climate change; Mustek reports Scope 1 & 2 GHG emissions.
Headline Earnings per Share (HEPS)	Profits per share excluding one-off or extraordinary items.
HR-Analytics System	A tool that collects and analyses workforce data to support strategic HR decisions and performance insights.
Hybrid Work	A work model combining on-site and remote work; a key driver of IT and infrastructure demand.
Integrated Annual Report	A comprehensive report that combines financial, operational, governance, and sustainability performance to show how a company creates long-term value.
ISO 14001	International standard for environmental management systems.

GLOSSARY (CONTINUED)

Term	Definition
ISO 27001	Global certification standard for information security management.
Khauleza IT Solutions	A Mustek associate providing IT deployment, support, and managed services across South Africa.
King IV Report	South African corporate governance code guiding ethical and effective leadership.
Level 1 B-BBEE	The highest transformation compliance rating under B-BBEE.
LMS (Learning Management System)	A digital platform used to deliver, track, and manage employee training and learning activities.
Load-Shedding	Controlled power outages due to electricity supply constraints.
Material Matters	Issues that significantly affect a company's ability to create sustainable value.
MDP (Management Development Programme)	A leadership training programme for Mustek's mid-level managers.
Mecer Inter-Ed (MIE)	Mustek's skills development arm focused on ICT training and certification.
Mustek Operations	Mustek's primary IT assembly and distribution business, offering tech solutions via 3,600+ resellers.
Net Asset Value (NAV)	Total assets minus liabilities, indicating overall company value.
Occupational Health and Safety (OHS)	Measures and systems in place to protect employees at work.
Operating Margin	Profitability metric showing profit earned as a percentage of revenue.
POPIA (Protection of Personal Information Act)	South African law governing the collection and handling of personal data.
PPE (Property, Plant, and Equipment)	Physical fixed assets used in operations.
Rectron	Mustek's IT distribution subsidiary serving the SME and retail sectors.
Return on Equity (ROE)	Financial ratio measuring net income returned as a percentage of shareholder equity.
RNC (Group Remuneration and Nominations Committee)	Board sub-committee overseeing the nomination of directors and senior managers and remuneration within the group.
SaaS (Software as a Service)	A cloud-based model where software is delivered over the internet allowing users to access it via a web browser.
Scope 1, 2, 3 Emissions	Categories of GHG emissions: Scope 1 (direct), Scope 2 (purchased energy), Scope 3 (indirect, e.g., supply chain).
SDP (Supervisory Development Programme)	A skills development programme for first-line supervisors at Mustek.
SETA (Sector Education and Training Authority)	Entity regulating training and skills development within sectors.
Share Appreciation Rights (SAR)	A performance incentive tied to increases in a company's share price.
Takeover Regulation Panel (TRP)	A regulatory authority overseeing mergers and acquisitions in SA.
Transformation	Strategic efforts to increase diversity, inclusion, and socio-economic equity in the workforce and ownership.
Value Creation	The process of delivering economic, social, and environmental benefits over the long term.
YOA (Yangtze Optics Africa Cable)	A Mustek associate producing optical fibre cables in South Africa.

COMPANY INFORMATION

Company secretary

Sirkien van Schalkwyk
Block B, Office 107, Elarduspark Shopping Centre 837
Barnard Street, Elarduspark, 0181
PO Box 4896, Rietvalleirand, 0174
Telephone: +27 (0) 82 653 7954

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank,
2196 Private Bag X9000, Saxonwold, 2132, South Africa
Telephone: (011) 370-5000
Registered office
322 15th Road, Randjespark, Midrand, 1685
Postal address
PO Box 1638, Parklands, 2121

Contact numbers

Telephone: +27 (0) 11 237-1000
Facsimile: +27 (0) 11 314-5039
Email: ltd@mustek.co.za

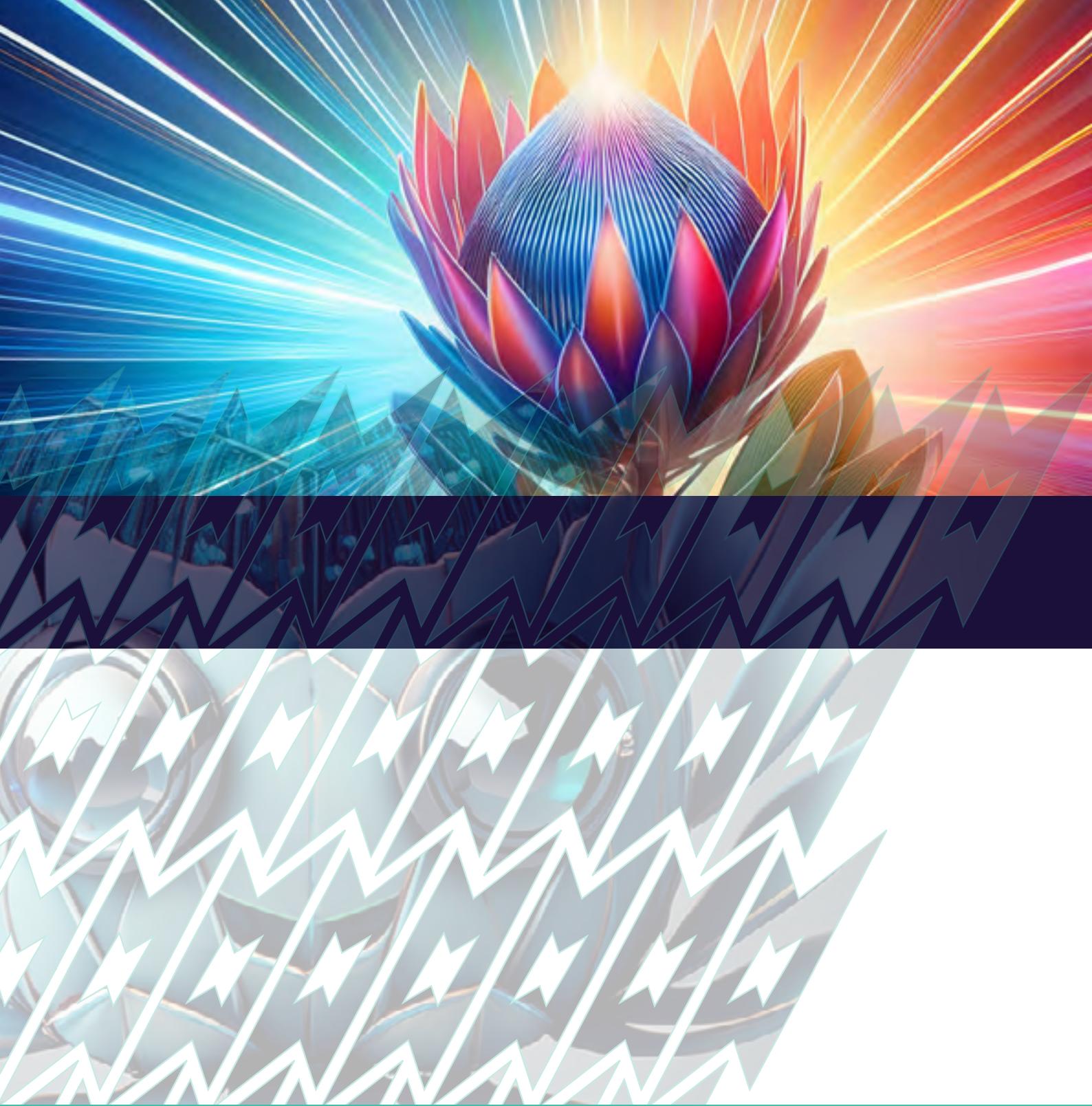
Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited

External auditor

BDO South Africa Incorporated
www.mustek.co.za





www.mustek.co.za