Mustek LIMITED

Annual Financial Statements 2025

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:

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 5 to 8.

The annual financial statements set out on pages 15 to 107, 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 20 to 107, 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 20 to 107, 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
Inventory – allowance for obsolescence (this key audit matter relates to the consolidated and separate financial statements) 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. 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. 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.	In evaluating the allowance for inventory obsolescence, we performed various audit procedures, including the following: • 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	• Finalise the IT strategy framework • Implement theIT strategic objectives per entity for FY25	✔ see comment	• 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	• Cash flow conversion targets	✔	• 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	• Update combined assurance policy • Formalise a process for combined assurance reporting	✔	• 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	• 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	• 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
Authorised	**Number of shares**	
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 Non-public shareholders (excluding treasury shares)	Number of shareholders	%	Number of shares	% of shares in issue
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 Non-public shareholders (excluding treasury shares)	Number of shareholders	%	Number of shares	% of shares in issue
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 abitration 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

		Group		Company	
			Restated*		
	Note(s)	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	Group 2024 R '000	Company 2025 R '000	Company 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

		Group		Company	
		2025	2024	2025	2024
	Note(s)	R '000	R '000	R '000	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/recoupment 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:
• Amendment - Lack of Exchangeability) - assess when currency is exchangable 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
• 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
• Annual Improvements to IFRS Accounting material impact	01 January 2026	Unlikely there will be a material impact
• 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

2025	East Africa R '000	Taiwan R '000	South Africa R '000	Total R '000
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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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	
	Notes	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	-	-

	Group		Company	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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 2025 R '000	Group 2024 R '000	Company 2025 R '000	Company 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	Group 2024 R '000	Company 2025 R '000	Company 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)%	- %	- %
Disallowed 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 witholding 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 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 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 liabiliy	(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 Cost R'000	2025 Accumulated depreciation R'000	2025 Carrying value R'000	2024 Cost R'000	2024 Accumulated depreciation R'000	2024 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 Cost R'000	2025 Accumulated depreciation R'000	2025 Carrying value R'000	2024 Cost R'000	2024 Accumulated depreciation R'000	2024 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 R'000	Additions through business combina-tions R'000	Disposals R'000	Transfers R'000	Foreign exchange move-ments R'000	Deprecia-tion R'000	Total 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 R000	Additions R000	Disposals R000	Foreign exchange movements R000	Depreciation R000	Total R000
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**

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
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	Carrying value 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**

	Opening balance R'000	Foreign exchange movements R'000	Depreciation R'000	Total R'000
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	2024	**2025**	2024
	R'000	R'000	**R'000**	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	2024	**2025**	2024
	R'000	R'000	**R'000**	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.	• 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.	• 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 Cost R000	2025 Accumulated depreciation R000	2025 Carrying value R000	2024 Cost R000	2024 Accumulated depreciation R000	2024 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
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**

	Opening balance R'000	Write-off R'000	Total R'000
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**

	2025			2024		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
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	Scrapping 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.

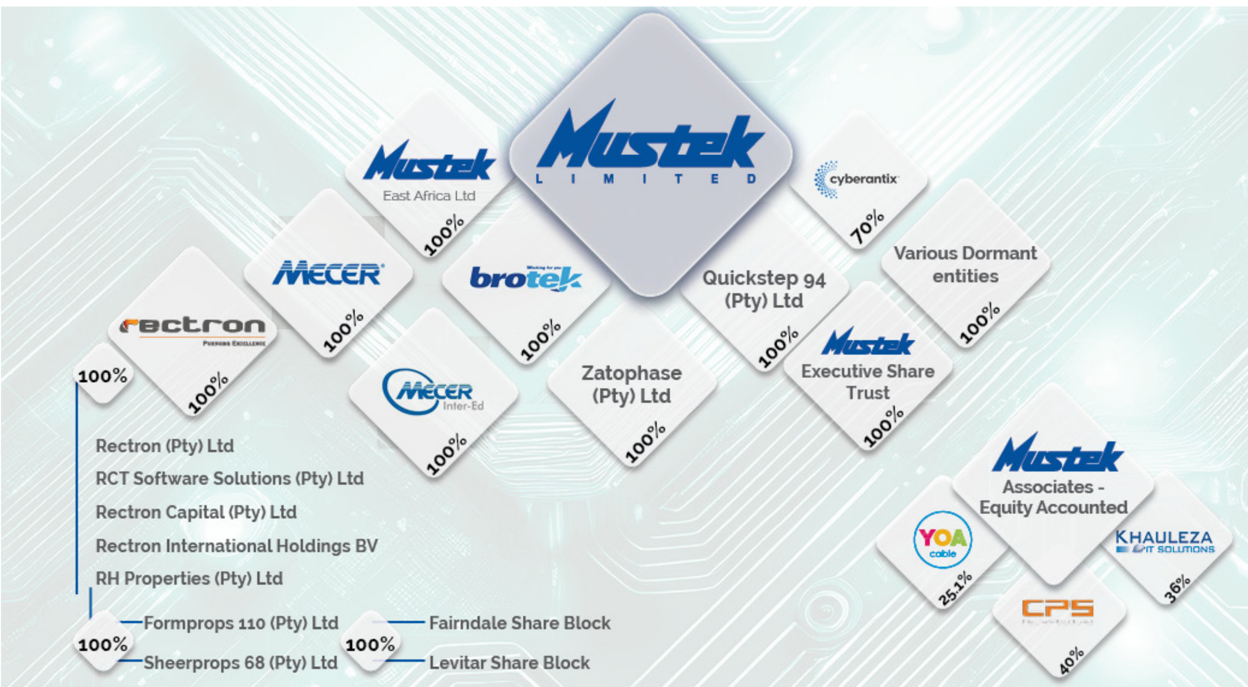
Computer Software is amortised on a straight-line basis over their remaining useful lives of 1 - 3 years for short term software and 7.5 years for the Epicor system specifically.

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 Mecer 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 Mecer 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 appli-cable 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 appli-cable 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 R'000	2024 R'000
Loans to subsidiary: Loss allowance measured at 12 month ECL:		
Opening balance	151	838
Changes due to investments recocgnised 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 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 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	Total net assets 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	299 651	71 863
Khauleza IT Solutions Proprietary Limited	11 634	8 651	3 324	1 417	15 544	5 391
Continuous Power Systems Proprietary Limited	42 806	23 879	9 622	13 900	43 163	13 005
	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	Total net assets 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	272 468	66 989
Khauleza IT Solutions Proprietary Limited	12 247	9 220	4 656	2 067	14 744	5 105
Continuous Power Systems Proprietary Limited	43 903	29 201	17 515	20 819	34 770	11 849
	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

		Percentage holding	Cost				
	Note	2025 %	2025 R'000	Derecognised R'000	Opening impairment R'000	Derecognised (note 3) R'000	2024 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

		Percentage holding	Cost				
	Note	2025 %	2025 R'000	Derecogni sed R'000	Opening impairment R'000	Derecognised (note 3) R'000	2024 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

Loans to					Equity-accounted profits					Net investment	
2025 R'000	Advanced /(repaid) R'000	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**

Loans to				Equity-accounted share of earnings				Net investment	
2025 R'000	Advanced (repaid)/ (written off) R'000	Opening impair-ment R'000	2024 R'000	2025 R'000	Current year profits (losses) R'000	Transfers to non- current asset held for sale R'000	2024 R'000	2025 R'000	2024 R'000
-	-	-	-	-	-	-	-	-	-
-	-	-	-	5 393	288	-	5 105	5 393	5 105
1 300	-	-	1 300	11 704	1 155	-	10 549	13 004	11 849
-	-	-	-	20 746	4 873	-	15 873	71 862	66 989
1 300	**-**	**-**	**1 300**	**37 843**	**6 316**	**-**	**31 527**	**90 259**	**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 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 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
Note 1 and 2				
Estate late DC Kan	-	2 950	-	-
Note 3				
H Engelbrecht	9 839	10 075	-	-
Note 1				
CJ Coetzee	531	530	-	-
Note 1				
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 Coetzee		Internal rating	Performing	12m ECL	536	(5)	531
Subbienet Proprietary Limited		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 Coetzee		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**

	Collectively assessed R'000	Individually assessed R'000	Total R'000
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**

	Collectively assessed R'000	Individually assessed R'000	Total R'000
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**

	Collectively assessed R'000	Individually assessed R'000	Total R'000
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 ZAR	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:

		Group		Company	
	ECL %	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	
	ECL %	Indicative amount at 30 June 2024 R000	Indicative ECL amount R000	Indicative amount at 30 June 2024 R000	Indicative ECL amount R000
2024					
Category 1	1% - 20%	77 598	4 671	18 532	1 838
Category 2	20% – 80%	26 240	10 134	4 577	1 212
Category 3	80% – 100%	47 132	43 254	30 726	29 635
		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

		Group		Company	
		2025	2024	2025	2024
	Note	R'000	R'000	R'000	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 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 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	Group 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	2025 Net R'000	2024 Gross R'000	2024 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/recoupment 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	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Held at amortised cost					
Secured					
Mortgage bond		30 197	32 720	-	-
Bank overdrafts		-	500 345	-	500 000
Unsecured					
Bank overdrafts		5 722	99 612	4 682	99 612
Loan from subsidiary	16	-	-	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
		2 323 397	3 201 967	1 597 511	2 302 803
Less finance charges component		(27 932)	(52 732)	(23 156)	(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 occured 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 subsi-diaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	Total R'000
Company 2025						
Non-interest-bearing	671 324	-	66 006	5 675	4 802	747 807
Variable interest rate instruments	791 669	4 682	30 197	-	-	826 548
	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 subsi-diaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	Total R'000
Company 2024						
Non-interest-bearing	734 755	–	104 108	13 123	892	852 878
Variable interest rate instruments	774 106	599 612	32 720	-	-	1 406 438
	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%)	(1500)	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/ modi-fications 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/ modi-fications 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 R000	Accrued Interest R000	Other non-cash move-ments R000	New leases/ modi-fications R000	Total non-cash move-ments R000	Cash inflow R000	Interest payment R000	Cash outflows R000	Closing balance R000
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 R000	Accrued interest R000	Other non-cash move-ments R000	New leases/ modifica-tions R000	Total non-cash move-ments R000	Cash inflows R000	Interest payment R000	Cash outflows R000	Closing balance R000
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	Group 2024 R'000	Company 2025 R'000	Company 2024 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
Bank overdraft	21	-	5 722	-	5 722
		15 021	**2 275 059**	**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
Bank overdraft	21	-	599 957	-	599 957
		19 154	**3 128 914**	**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
Bank overdraft	21	-	4 682	-	4 682
		5 675	**1 563 878**	**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
Bank overdraft	21	-	599 612	-	599 612
		13 123	**2 245 301**	**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:

		Group		Company	
		2025	2024	2025	2024
	Note	R'000	R'000	R'000	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)

	Contract rate R'000	Contract foreign currency amount R'000	Contract Rand amount R'000	Fair value of contract R'000
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 R'000	2024 R'000	2025 R'000	2024 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.

		Group		Company	
Levels of fair value measurements	**Note**	**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 recoveries	(554)	-
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 recoveries	784	-
	Dividends	10 000	-
Mecer Technology Limited	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 recoveries	2 938	437
	Loan	-	(7 579)
Zatophase Proprietary Limited	Dividends	15 272	-
Quickstep 94 Proprietary Limited	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 recoveries	470	-
	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 R000	Amount (payable) receivable R000
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 R000	Amount (payable) receivable R000
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 R'000	2024 R'000	2025 R'000	2024 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 performance related payments R'000	Expense allowance R'000	Fringe benefit on interest free loan R'000	Share appreciation rights exercised	Total R'000
Services as director						
H Engelbrecht	6 037	-	270	883	863	8 053
CJ Coetzee	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 performance related payments R'000	Expense allowance R'000	Fringe benefit on interest free loan R'000	Total R'000
Services as director					
H Engelbrecht	5 680	–	270	980	6 930
CJ Coetzee	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 R000	Total R000
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 Coetzee (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 milllion (2024:0.9 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 Ebrahim	H Engelbrecht	CJ Coetzee	Total
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 Ebrahim	H Engelbrecht	CJ Coetzee	Total
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 where 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**