



MUSTEK

L I M I T E D

UNAUDITED INTERIM CONSOLIDATED
FINANCIAL RESULTS FOR THE SIX
MONTHS ENDED

31 DECEMBER 2024

OUR MISSION



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

OUR VALUES



KNOWLEDGE AND ATTITUDE

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



INTEGRITY, RESPECT AND APPRECIATION

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



FLEXIBILITY

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



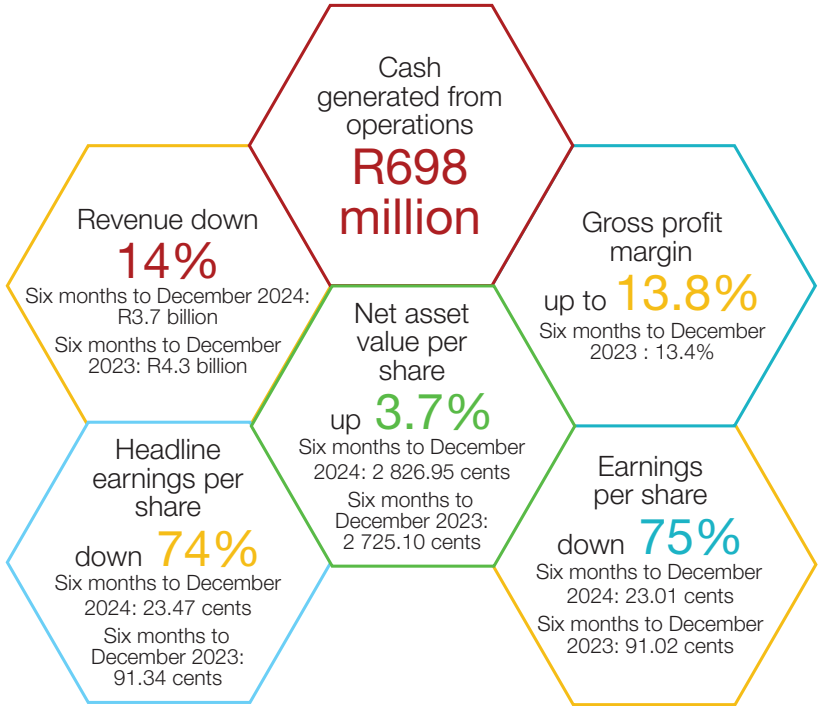
RESPONSIBILITY AND ACCOUNTABILITY

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





SALIENT FEATURES



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
Revenue	3 664 639	4 266 612	8 507 282
Cost of sales	(3 158 445)	(3 696 337)	(7 467 164)
Gross profit	506 194	570 275	1 040 118
Foreign currency profit (losses)	(28 330)	10 557	32 252
Impairment losses on trade receivables	(1 791)	1 255	(25 265)
Distribution, administrative and other operating expenses	(380 492)	(401 484)	(768 585)
Operating profit	95 581	180 603	278 520
Investment income	9 403	6 592	14 356
Finance costs	(92 747)	(115 183)	(220 066)
Impairment on investment in associate	–	–	(13 743)
Income (loss) from equity accounted investments	5 023	(2 413)	(19 359)
Other non-operating gains (losses)	–	(136)	450
Profit before tax	17 260	69 463	40 158
Income tax expense	(4 402)	(17 090)	(18 761)
Profit for the period	12 858	52 373	21 397
Other comprehensive (loss) income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	5 827	(7 645)	(325)
Exchange differences recycled to profit or loss on liquidation of foreign subsidiary	–	–	782
Total items that may be reclassified to profit or loss	5 827	(7 645)	457
Other comprehensive income (loss) for the period	5 827	(7 645)	457
Total comprehensive income for the period	18 685	44 728	21 854
Profit attributable to:			
Owners of the parent	12 456	52 373	21 397
Non-controlling interest	402	–	–
	12 858	52 373	21 397
Total comprehensive income attributable to:			
Owners of the parent	18 283	44 728	21 854
Non-controlling interest	402	–	–
	18 685	44 728	21 854
Earnings per share:			
Basic earnings per ordinary share (cents)	23.01	91.02	37.31
Diluted basic earnings per ordinary share (cents)	23.01	91.02	37.31



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
ASSETS			
Non-current assets			
Property, plant and equipment	238 140	271 583	247 775
Investment property	10 052	8 361	9 883
Right-of-use assets	82 869	50 569	96 457
Goodwill	51 023	46 550	43 345
Intangible assets	105 456	127 567	110 865
Investments in associates	88 966	129 632	83 943
Other loans	18 938	9 500	10 605
Deferred tax assets	28 351	40 499	25 828
	623 795	684 261	628 701
Current assets			
Inventories	2 008 001	2 445 754	2 352 401
Trade and other receivables	1 373 966	1 863 477	1 572 740
Contract assets	3 808	13 267	8 467
Foreign currency assets	32 383	1 983	411
Current tax receivable	8 218	834	7 442
Cash and cash equivalents	309 642	241 620	303 596
	3 736 019	4 566 934	4 245 057
Non-current assets held -for- sale	–	–	15 000
Total assets	4 359 814	5 251 195	4 888 758
EQUITY AND LIABILITIES			
Equity			
Share Capital	–	–	–
Foreign currency translation reserve	11 155	(2 774)	5 328
Retained earnings	1 519 127	1 570 793	1 510 986
Non controlling interest	598	–	–
	1 530 880	1 568 019	1 516 314
LIABILITIES			
Non-current liabilities			
Borrowings and other liabilities	4 816	32 372	272
Contract liabilities	19 996	20 289	23 201
Deferred tax liabilities	4 613	5 634	3 760
Lease liabilities	66 789	33 682	79 191
	96 214	91 977	106 424
Current liabilities			
Trade and other payables	2 639 945	2 875 062	2 542 189
Borrowings and other liabilities	31 128	2 902	32 720
Foreign currency liabilities	1 216	16 209	19 154
Lease liabilities	24 541	22 560	23 609
Contract liabilities	27 515	34 604	39 013
Current tax payable	7 759	15 308	9 378
Bank overdrafts	616	624 554	599 957
	2 732 720	3 591 199	3 266 020
Total liabilities	2 828 934	3 683 176	3 372 444
Total equity and liabilities	4 359 814	5 251 195	4 888 758

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
Cash flows from operating activities			
Cash receipts from customers	3 837 866	4 262 050	8 737 072
Cash paid to suppliers and employees	(3 139 698)	(4 387 554)	(8 676 383)
Cash generated from (used in) operations	698 168	(125 504)	60 689
Interest income received	9 403	6 592	14 356
Finance costs paid	(92 747)	(115 183)	(220 066)
Dividends paid	(4 315)	(44 306)	(44 306)
Tax paid	(6 328)	(12 210)	(14 124)
Net cash from (used in) operations	604 181	(290 611)	(203 451)
Cash flows from investing activities			
Purchase of property, plant and equipment	(1 922)	(24 129)	(35 437)
Sale/recoupment of property, plant and equipment	12	-	26 556
Purchase of intangible assets	(1 088)	(7 545)	(7 631)
Investment in subsidiary net of cash acquired*	1 063	-	-
Capital contribution to associate	-	(15 060)	(15 060)
Proceeds from sale of non-current asset held-for-sale	15 000	-	-
Receipts from other loans	1 773	3 279	2 762
Net cash from (used in) investing activities	14 838	(43 455)	(28 810)
Cash flows from financing activities			
Repayment of borrowings	(1 592)	(1 019)	(2 274)
(Repayment) proceeds from bank overdrafts	(599 341)	243 076	218 479
Payment of lease liabilities	(12 040)	(15 629)	(29 606)
Net cash (used in) from financing activities	(612 973)	226 428	186 599
Net increase (decrease) in cash and cash equivalents	6 046	(107 638)	(45 662)
Cash and cash equivalents at beginning of the period	303 596	349 258	349 258
Cash and cash equivalents at end of the period	309 642	241 620	303 596

* The purchase price was offset against trade and other receivables previously owing by seller, refer to the Business combinations during the current year note on page 9.



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary stated capital R000	Retained earnings R000	Foreign currency translation reserve R000	Attributable to owners of the parent R000	Non- controlling interest R000	Total equity R000
Balance at 30 June 2023	–	1 562 726	4 871	1 567 597	–	1 567 597
Profit for the period	–	52 373	–	52 373	–	52 373
Other comprehensive income	–	–	(7 645)	(7 645)	–	(7 645)
Dividends paid	–	(44 306)	–	(44 306)	–	(44 306)
Balance at 31 December 2023	–	1 570 793	(2 774)	1 568 019	–	1 568 019
Profit for the period	–	(30 976)	–	(30 976)	–	(30 976)
Other comprehensive income	–	–	8 102	8 102	–	8 102
Share buy-back	–	(28 831)	–	(28 831)	–	(28 831)
Balance at 30 June 2024	–	1 510 986	5 328	1 516 314	–	1 516 314
Profit for the period	–	12 456	–	12 456	–	12 456
Other comprehensive income	–	–	5 827	5 827	–	5 827
Investment in subsidiary	–	–	–	–	598	598
Dividends paid	–	(4 315)	–	(4 315)	–	(4 315)
Balance at 31 December 2024	–	1 519 127	11 155	1 530 282	598	1 530 880

SUMMARISED SEGMENT ANALYSIS

	Total		Mustek	
	31 Dec 2024 R000	31 Dec 2023 R000	31 Dec 2024 R000	31 Dec 2023 R000
Business segments				
Revenue				
External sales	3 664 639	4 266 612	2 541 242	2 740 074
Inter-segment sales	–	–	395	56 394
	3 664 639	4 266 612	2 541 637	2 796 469
EBITDA*	129 803	212 548	102 315	156 633
Depreciation and amortisation	(34 222)	(31 945)	(26 931)	(23 659)
Profit (loss) from operations	95 581	180 603	75 384	131 585
Investment revenues	9 403	6 592	4 480	1 245
Finance costs	(92 747)	(115 183)	(64 020)	(71 601)
Impairment of investment in associate	–	–	–	–
Other non-operating losses	–	(136)	–	–
Profit (loss) from equity-accounted investments	5 023	(2 413)	–	–
Profit (loss) before tax	17 260	69 463	15 844	61 230
Income tax (expense) benefit	(4 402)	(17 090)	(5 045)	(14 176)
Profit (loss) for the period	12 858	52 373	10 799	47 054
# Earnings before interest, taxation, depreciation and amortisation.				
Attributable to:				
Owners of the parent	12 456	52 373	10 397	47 054
Non-controlling interest	402	–	402	–
	12 858	52 373	10 799	47 054
ASSETS				
Segment assets	4 262 630	5 120 729	2 858 147	3 195 652
Investment in associates	88 966	129 632	–	–
Current tax assets	8 218	834	5 903	834
Consolidated total assets	4 359 814	5 251 195	2 864 050	3 196 486
LIABILITIES				
Segment liabilities	2 821 175	3 667 868	1 980 506	2 345 928
Current tax liabilities	7 759	15 308	3 260	10 153
Consolidated total liabilities	2 828 934	3 683 176	1 983 766	2 356 081



Rectron		MIE		Group		Eliminations	
31 Dec 2024 R000	31 Dec 2023 R000	31 Dec 2024 R000	31 Dec 2023 R000	31 Dec 2024 R000	31 Dec 2023 R000	31 Dec 2024 R000	31 Dec 2023 R000
1 081 735	1 483 127	41 662	43 411	-	-	-	-
82 188	89 221	1 697	2 769	-	-	(84 280)	(148 384)
1 163 923	1 572 347	43 359	46 180	-	-	(84 280)	(148 384)
32 310	56 068	9 130	10 542	(13 952)	(10 695)	-	-
(6 417)	(5 966)	(1 605)	(2 320)	-	-	731	1 389
25 893	50 102	7 525	8 222	(13 952)	(10 695)	731	1 389
4 216	4 632	-	-	17 170	13 012	(16 463)	(12 297)
(28 779)	(43 669)	(3)	(63)	-	-	55	150
-	(136)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5 023	(2 413)	-	-
1 330	10 929	7 522	8 159	8 241	(97)	(15 677)	(10 758)
(359)	(2 951)	(2 031)	(2 203)	3 033	2 240	-	-
971	7 978	5 491	5 956	11 274	2 143	(15 677)	(10 758)
971	7 978	5 491	5 956	11 274	2 143	(15 677)	(10 758)
1 321 471	1 803 458	38 315	50 083	86 012	80 459	(41 315)	(8 923)
-	-	-	-	88 966	129 632	-	-
-	-	-	-	2 315	-	-	-
1 321 471	1 803 458	38 315	50 083	177 293	210 091	(41 315)	(8 923)
876 864	1 318 084	5 446	7 325	-	-	(41 641)	(3 469)
3 537	3 101	962	2 054	-	-	-	-
880 401	1 321 185	6 408	9 379	-	-	(41 641)	(3 469)

SUMMARISED SEGMENT ANALYSIS CONTINUED

Geographical segments	Total		South Africa		Mustek East Africa		Mecer Technology (Taiwan)	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	R000	R000	R000	R000	R000	R000	R000	R000
Revenue	3 664 639	4 266 612	3 632 522	4 235 427	32 102	31 185	15	-
Profit (loss) before tax	17 260	69 463	16 655	64 806	(1 503)	(996)	2 108	5 653
Income tax expense	(4 402)	(17 090)	(2 493)	(16 108)	(1 454)	-	(455)	(1 131)
Profit (loss) for the period	12 858	52 373	14 162	48 698	(2 957)	(996)	1 653	4 522
Attributable to:								
Owners of the parent	12 456	52 373	13 760	48 698	(2 957)	(996)	1 653	4 522
Non-controlling interest	402	-	402	-	-	-	-	-
	12 858	52 373	14 162	48 698	(2 957)	(996)	1 653	4 522
ASSETS								
Segment assets	4 351 596	5 250 361	4 254 492	5 149 843	66 799	61 719	30 305	38 799
Current tax assets	8 218	834	8 218	834	-	-	-	-
Consolidated total assets	4 359 814	5 251 195	4 262 710	5 150 677	66 799	61 719	30 305	38 799



Disaggregation of revenue

The Group has 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-maker (CODM) in order to evaluate the financial performance of the entity.

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

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
Sales of goods (revenue earned at a point in time)			
Hardware sales	3 450 479	4 086 771	8 232 197
Dealers	2 327 115	2 900 805	6 062 840
Retailers	194 697	374 341	563 979
Public sector supplies	709 458	669 056	1 362 270
Export	219 209	142 569	279 108
Software sales	109 088	111 247	152 887
Dealers	74 025	78 662	63 362
Retailers	3 367	5 653	4 502
Public sector supplies	25 522	16 062	34 746
Export	2 039	4 503	15 487
Cloud services (agent)	4 135	6 367	34 790
Rendering of services (revenue earned over time)	100 109	57 294	109 440
Maintenance and support contracts	46 895	13 883	32 161
Training courses – net of deferred revenue	38 587	43 411	77 279
Managed Security Services	14 627	–	–
Rendering of services (revenue earned at a point in time)	4 962	11 302	12 758
Repair Services	4 962	11 302	12 758
Total revenue (external)	3 664 639	4 266 612	8 507 282

Business combinations during the current year

The valuation of the intangible assets (customer contracts) in the below business combinations note has been determined on a provisional basis. The finalisation of the valuation may impact the value of goodwill, non-controlling interest and any related tax impacts. The valuation is expected to be finalised before the end of the financial year.

Mustek acquired 70% equity interest in Cyberantix Proprietary Limited on 12 September 2024. Mustek acquired the 70% for R8 million and a loan receivable of R12 million from Sizwe Africa IT Group. 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. 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.

	Cyberantix (Pty) Ltd 2024 R000
Acquisition of businesses	
Effective date of control 12/09/2024	
Fair value of net assets acquired:	
Plant and equipment	598
Deferred taxation	382
Intangible assets – customer contracts	890
Trade and other receivables	12 443
Bank balance	1 063
Trade and other payables	(1 675)
Loan from previous shareholder	(11 868)
Deferred tax on intangible asset	(240)
Taxation	(944)
Fair value of assets and liabilities at acquisition date	649
Fair value of 30% NCI	195
Mustek's portion of Cyberantix at fair value	454
	649
Goodwill	
Consideration	8 132
NCI	195
Fair value of assets and liabilities at acquisition date	(649)
Goodwill	7 678
Profit after tax since acquisition date included in the consolidated result for the period	1 345
Turnover since acquisition date included in the consolidated results for the period	9 937
Group profit after tax had the business combinations been included for the entire period	12 888
Group turnover had the business combinations been included for the entire period	3 669 330
Breakdown of consideration	
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 acquired from investment in subsidiary	1 063
Investment in subsidiary net of cash acquired	1 063



COMMENTARY

Headline earnings and dividend per ordinary share

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
Weighted number of ordinary shares outstanding	54 131 857	57 540 000	58 245 548
Ordinary number of shares in issue	57 540 000	57 540 000	57 540 000
Dividend per ordinary share – declared (cents)	–	–	7.50
Dividend per ordinary share – paid (cents)	7.50	77.00	76.00
Headline earnings per ordinary share (cents)	23.47	91.34	375.18
Reconciliation between basic and headline earnings			
Basic earnings attributable to owners of the parent	12 456	52 373	219 612
Group's share of loss on disposal/recoupment of property, plant and equipment and intangible assets	247	182	1 179
Exchange differences recycled to profit or loss on liquidation of foreign subsidiary	–	–	782
Gain on deregistration of subsidiaries	–	–	(1 460)
Impairment of associate	–	–	13 743
Write-off of Goodwill	–	–	3 205
Remeasurement items included in associate equity-accounted earnings			
Group's share of loss on sale of property, plant and equipment	–	–	(343)
Headline earnings	12 703	52 555	38 503
Net asset value per share (cents)	2 826.95	2 725.09	2 801.15
Reconciliation of shares issued and outstanding			
Number of ordinary shares in issue	57 540 000	57 540 000	57 540 000
Number of treasury shares	(3 408 143)	–	(3 408 143)
Number of ordinary shares outstanding	54 131 857	57 540 000	54 131 857

Corporate information

Mustek is a public company incorporated and domiciled in South Africa. The main business of Mustek, its subsidiaries and associates is the assembling, marketing and distribution of Information Communication Technology (ICT) products and services.



COMMENTARY CONTINUED

Operating results

For the six months ended 31 December 2024, the Group's performance remained under pressure, reflecting the ongoing challenges posed by global and local economic conditions. These included persistent inflation, elevated interest rates, sluggish economic growth, and fluctuating consumer and investor confidence, both in South Africa and internationally.

The Group previously set out to improve working capital management and optimise cashflows. Ensuring efficient utilisation of resources, improved financial flexibility and reducing finance costs are key focus areas for the 2025 financial year. We are encouraged by the improvement in working capital since 30 June 2024, 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.

Revenue

Revenue decreased by 14% to R3.66 billion (31 December 2023: R4.27 billion) because of economic constraints, lower consumer demand and being selective in only pursuing deals that align with our risk appetite and profitability targets. The Group's two largest segments Mustek and Rectron saw their revenue decline by 9.1% and 26.0% respectively. The Group's IT training company, Mecer Inter-Ed experienced a slight decline in revenue to R43.4 million from R46.2 million from tougher market conditions, although the margin achieved was better than the comparative period.

Gross profit

The gross profit margin increased to 13.8% (2023: 13.4%), due to a more favourable product mix.

Forex risk

The fluctuating exchange rate has resulted in forex losses of R28.3 million at period end, the majority being unrealised. As the ZAR has strengthened against the USD post 31 December 2024, it is possible that the majority of these losses will reverse.

Operating costs

Improved budget management and stricter discretionary spending controls resulted in a 5.2% reduction in overall expenses, despite inflation affecting prices in various categories.

Finance costs

Finance costs has been a focus area for the past 24 months and remains a focus area for the Group. Management is pleased with the 23.2% decrease in net finance costs to R83.3 million (31 December 2023: R108.6 million). While the Group received some relief from ZAR and USD interest rate cuts in the second quarter of FY25, the reduction in net finance costs was mainly driven by reduced working capital.

Associate performance

Associates contributed a profit of R5.0 million compared to a loss of R2.4 million in the comparative period. The prior period losses were mainly due to the poor performance of Zaloserve. The Group disposed of its investment in Zaloserve during the period, which was disclosed as an asset-held-for-sale as at 30 June 2024. Khauleza has been able to break even and Continuous Power Systems, an associate that designs and manufactures a wide range of server cabinets and YOA, an associate that manufactures fibre optic cable, traded profitably. They are well placed to grow their contribution to the Group.



Investment in subsidiary

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 period ended 31 December 2024.

Working capital

The Group is encouraged by the reduction in inventory and receivables by approximately 14% from year end (30 June 2024).

Inventory reduced from R2.35 billion at year-end to R2.0 billion as at 31 December 2024.

Trade and other receivables improved from R1.58 billion at 30 June 2024 to R1.37 billion at 31 December 2024. Debtors' days (62) are still higher than the Group's target of 55 days. The longer cycle is mainly due to debtors asking for longer-payment terms given the tough economic conditions.

Combined with payables, net working capital reduced by approximately R637 million from year end. This helped significantly to improve liquidity and strengthen our financial position.

Cash flow

Dedicated and focused working capital management helped generate R698.2 million cash from operations compared to R125.5 million cash outflow from operations in the comparative period. This helped to reduce the overdraft from R600.0 million at year end to R0.6 million as of 31 December 2024.

The Group has sufficient banking facilities.

Corporate activities

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 intend to issue a joint circular on or about 14 March 2025 which will:
 - set out the terms on which Novus makes the Offer to the Mustek Shareholders to purchase all of their Mustek Shares;
 - provide the Mustek Shareholders with information on Mustek and Novus; and
 - inform Mustek Shareholders of the manner in which the Offer may be accepted by them and the manner in which the Offer will be implemented.

COMMENTARY CONTINUED

Group prospects and industry outlook

According to most analysts, the IT industry is expected to experience improved growth in 2025. This growth is primarily driven by increased IT spending, AI investment, cybersecurity solutions, and greater emphasis on a hybrid cloud approach.

Ransomware and cyber extortion have grown significantly in the past five years with no sign of slowing. Cybersecurity automation and orchestration are being used for threat detection and incident response, including remediation. Mustek's investment in Cyberantix should help us grow in this market segment.

IT spending on data centre equipment, devices, and software is forecasted to grow at double digits compared to the prior year's single digit forecasts signalling a return to normal replacement cycles. The Mustek Group distribution business is well positioned to capitalise on these opportunities through strong partnerships in the supply chain.

AI has been a means for enterprise innovation, automation, and competitive edge for several years but has now risen to the top of the IT priority list.

While generative AI moved quickly through the hype cycle into the trough of disillusionment, new AI use cases with measurable ROI are starting to surface leading to increased optimism for 2025 IT spend into underlying infrastructure and edge devices.

Although the economic climate remains challenging currently, we are cautiously optimistic of improved conditions in the future as these trends and developments evolve. Specifically, a return to normal replacement cycles, increased spend on cybersecurity and growth in infrastructure and devices to derive tangible benefit from AI.

Share repurchase programme

Mustek did not acquire any shares in terms of its share buyback programme during the current period.

The board has decided that we will not pursue any share buy backs for the balance of this financial year.

Dividend

The 7.5 cents dividend per share declared for the year ended 30 June 2024 was paid during this period.

The declaration of cash dividends will continue to be considered by the Board at year-end 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.

Basis of preparation

The unaudited interim consolidated financial results for the period ended 31 December 2024 has been prepared in accordance with the framework concepts and measurement and recognition requirements of IFRS Accounting Standards and the SA financial reporting requirements, and as a minimum contain the information required by IAS 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa.

This set of interim financial information, which is based on reasonable judgements and estimates, has been prepared using accounting policies and methods of computation that comply with IFRS Accounting Standards.



The directors take full responsibility for the preparation of this condensed report. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

The accounting policies are consistent with those applied in the consolidated financial statements for the year ended 30 June 2024.

The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

Fair value measurement of financial instruments

Fair value measurements of financial assets and liabilities are analysed as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities

	Unaudited Six months 31 December 2024 R000	Unaudited Six months 31 December 2023 R000	Audited Year-end 30 June 2024 R000
Fair value through profit or loss: Foreign currency assets			
These financial assets consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets is included in foreign currency profits.	2	1 983	411
Fair value through profit or loss: Foreign currency liabilities			
These financial liabilities consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets are included in foreign currency profits.	2	16 209	19 154

COMMENTARY CONTINUED

Transformation

Following an audit by an accredited verification agency, Mustek achieved a level 1 BBEE rating, using the amended ICT sector codes.

Management has continued to meaningfully extend its initiatives in employment equity, skills development and corporate social investment during the period. The Group is committed to a process of further transformation and economic empowerment of its stakeholders, while continuing to ensure the sustainability and prosperity of the Group in a competitive market sector.

Board of directors

There has been no changes to the Board of directors during the period.

Retirement benefit plan

The Mustek Group Retirement Fund is a defined contribution fund and payments to the plan are expensed as they fall due. The majority of the Group's employees belong to this fund. The Group does not provide additional post-retirement benefits.

Post-balance sheet events

The directors are not aware of any material event that occurred after period end and up to the date of this report that requires adjustment or disclosure.

On behalf of the Board of directors

Hein Engelbrecht CA(SA)

Group chief executive officer

Shabana Aboo Baker Ebrahim CA(SA)

Group financial director (preparer of Group results)

6 March 2025

Midrand

CORPORATE INFORMATION

Mustek Limited

Incorporated in the Republic of South Africa

Registration number: 1987/070161/06

JSE share code: MST

ISIN: ZAE000012373

“Mustek” or “the Group” or “the Company”

www.mustek.co.za



Find us online
www.mustek.co.za

Company secretary

Sirkien van Schalkwyk

Block B, Office 107, Elarduspark Shopping Centre

837 Barnard Street, Elarduspark, 0181

PO Box 4896, Rietvalleirand, 0174

Telephone: +27 (0) 12 751 6000

Transfer secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Private Bag X9000, Saxonwold, 2132, South Africa

Telephone: (011) 370-5000

Registered office

322 15th Road, Randjespark, Midrand, 1685

Postal address

PO Box 1638, Parklands, 2121

Contact numbers

Telephone: +27 (0) 11 237-1000

Facsimile: +27 (0) 11 314-5039

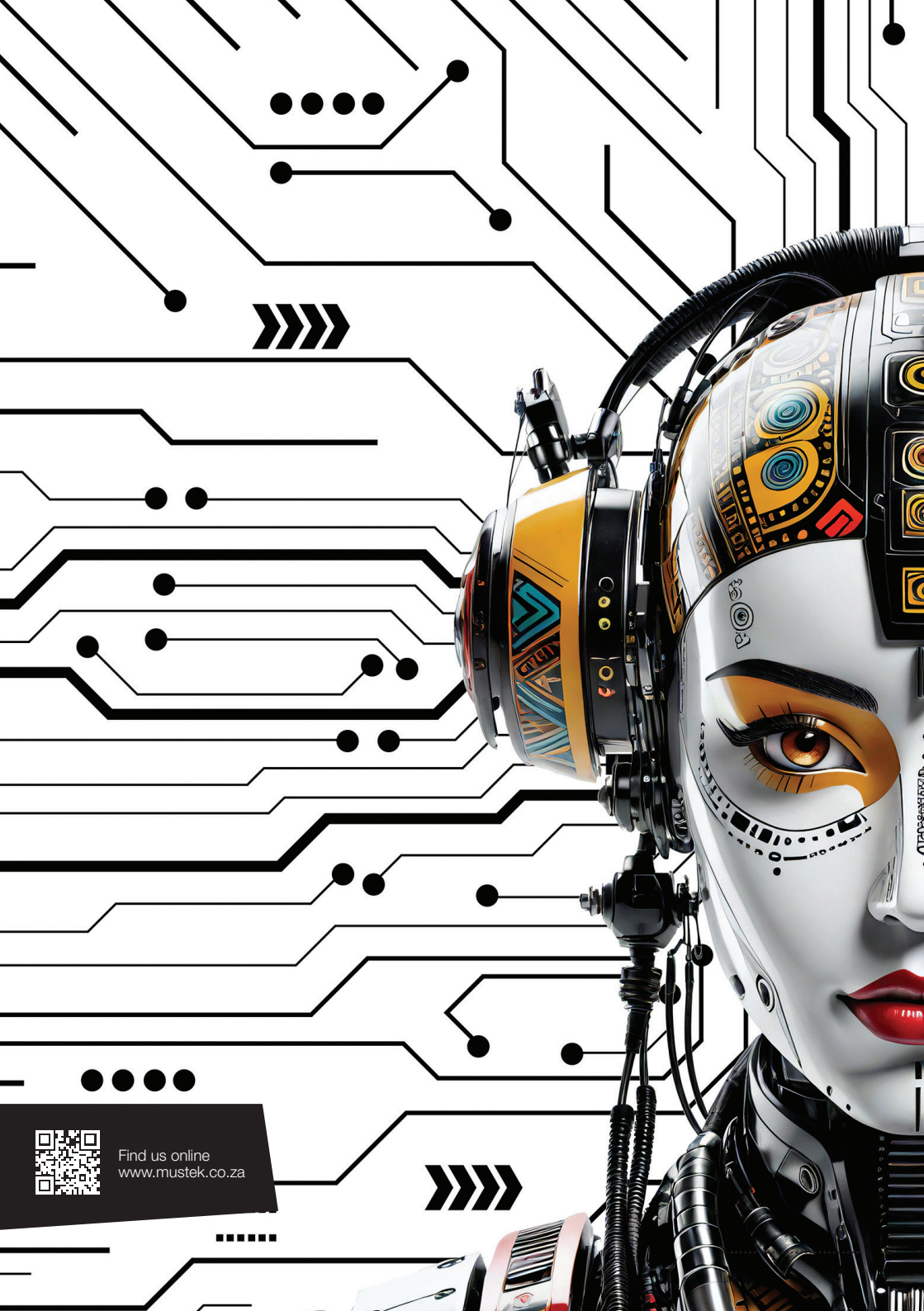
Email: ltd@mustek.co.za

Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited

External auditor

BDO South Africa Incorporated



Find us online
www.mustek.co.za

