



ANNUAL FINANCIAL
STATEMENTS

2026

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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
Ultimate Holding company	Novus Holdings Limited
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa and IFRS Accounting Standards.
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 technology investment house that compounds long-term value for its stakeholders. The group's current core investments span across IT distribution, training and services.
Sponsors	Valeo Capital Proprietary Limited

Contents

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

	Page
Directors' Responsibilities and Approval	2
The CEO and finance director responsibility statement	3
Company Secretary's Certification	4
Independent Auditor's Report	5
Audit and Risk Committee Report	9
Directors' Report	15
Statements of Comprehensive Income	20
Statements of Financial Position	21
Statements of Changes in Equity	22
Statements of Cash Flows	23
Accounting Policies	24
Notes to the Financial Statements	28

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 annual financial statements and related financial information included therein. It is their responsibility to ensure that the annual 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 annual 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 annual 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 annual 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 110, which have been prepared on the going concern basis were approved by the board on 30 September 2026 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 annual financial statements set out on pages 20 to 110, fairly present in all material respects the financial position, financial performance and cash flows of Mustek Limited (the issuer) in terms of IFRS;
- b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual 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 annual 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

30 September 2026

S Aboo Baker Ebrahim

30 September 2026

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 2026 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

30 September 2026

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 110, which comprise the consolidated and separate statements of financial position as at 30 June 2026; and the consolidated and separate statements of 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 2026, 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), as applicable to audits of financial statements of public interest entities, 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

	Consolidated financial statements	Separate financial statements
Final overall materiality	R 54.4 million which represents 0.75% of consolidated revenue for the group.	R 35.3 million which represents 0.75% of company revenue.

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 risk of material misstatement at the group level. Audit work at the component level was planned and performed in order to provide sufficient appropriate audit evidence to express our opinion over the consolidated financial statements.

In planning our audit work at the component level, we also considered the organisation, location and business operations of each entity within the group, as well as changes in the business environment, and formed our view as to the grouping of the components. Our process focused on identifying and assessing the risk of material misstatement of the consolidated financial statements as a whole, to assist us in forming our approach to the group audit. This process assisted us in determining the appropriate audit work that needed to be undertaken at each of the components. We identified 11 components and applied the following scoping:

- Two full scope components were selected based on the risk of material misstatement presented by these components to the consolidated financial statements, and we performed the necessary procedures to address that risk;
- Five specific scope components were identified, where the extent of our testing was based on our assessment of the risk of material misstatement of the consolidated financial statements arising from certain specific financial balances and/or processes at those components; and
- Analytical review procedures were performed over the remaining components.

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 year. 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 both the consolidated and separate financial statements) As disclosed in note 19 to the consolidated and separate financial statements, the group and company carried inventory amounting to R1.80 billion and R1.09 billion, respectively, as at year-end. An allowance for inventory obsolescence amounting to R119 million and R79 million has been recognised in the consolidated and separate financial statements, respectively. In terms of IAS 2 <i>Inventories</i>, 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 susceptible to obsolescence, as it is subject to constantly evolving technology, and products are continuously replaced by newer products in the market. The allowance for obsolescence is therefore subject to significant 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.	In evaluating the allowance for inventory obsolescence, we performed various audit procedures, including: - Assessed the design and implementation of the group'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 in this regard requiring further consideration; - Evaluated the reasonableness of management's methodology through comparison to 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 relevant underlying documentation, management's explanations relating to a sample of inventory items for which a write-down to net realisable value was recognised and considered the reasonableness thereof with reference to sales quantities and prices after year end, as well as other relevant information. Based on our work performed, we accepted management's explanations; - Using Data Analytics, we 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; - Making use of data analytics and inventory ageing, we assessed whether adequate allowances were recognised in respect of aged inventory, with reference to the prices at which the inventory could be sold for; 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 2026", 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 auditor's report, and the Mustek Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the 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 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/or 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 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 year 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 accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity has been described in note 3 to the Directors' Report as set out on page 16.

Audit Tenure

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 7 years.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

Vianca Pretorius

Director

Registered Auditor

30 September 2026

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 (Chairperson), 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, Stanford 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
- ensures 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

Audit and Risk Committee Report

2. Role of the Audit and Risk Committee (continued)

- 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
- satisfies itself of the appropriateness, expertise, resources and experience of the group's finance function, and specifically the group financial director
- considers the most current information provided in respect of the JSE Proactive Monitoring Process
- reviews IT and fraud risks
- oversees the activities of the IT Steering Committee
- considers the alignment of the Group's cyber security strategy with its overall risk appetite and IT governance framework, including oversight exercised through the Group IT Steering Committee
- monitors ethics-related matters reported through the Group's whistleblowing mechanisms and was satisfied that appropriate processes were in place to investigate and address complaints received
- conducts 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 an annual basis

During the 2026 financial year, the Committee continued to discharge its responsibilities and report in accordance with the King IV™ Report on Corporate Governance for South Africa, 2016, which remains the Company's current governance reporting framework. The Committee will oversee the phased implementation of the revised governance framework to align with the principles and recommended practices of the King V Code during the 2027 financial year.

3. Execution of functions during the year

The committee is satisfied that, for the 2026 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 Committee considered the effectiveness of the Group's combined assurance model and is satisfied that the assurance activities undertaken by management, internal audit, external audit and other assurance providers were appropriately coordinated and provided adequate coverage of the Group's significant risks and material matters.

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 2026, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor

Audit and Risk Committee Report

3.1 External audit (continued)

- 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 5.7(h)(iii) of the JSE Listings Requirements
- considered the tenure of the external audit firm and the designated audit partner and is satisfied that all applicable auditor rotation requirements have been complied with.
- 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
- 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
- Based on its interactions with the external auditors, consideration of audit quality indicators and the outcome of its annual assessment, the Committee is satisfied with the quality and effectiveness of the external audit process.

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
- assessed the independence and effectiveness of the internal audit function and was satisfied that it remained appropriately independent, objective and effective in carrying out its responsibilities.

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.

Audit and Risk Committee Report

3.3 Adequacy and functioning of the Group's internal controls (continued)

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
- 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 2025 JSE Report on Proactive Monitoring, issued 4 November 2025, 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.

Audit and Risk Committee Report

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
- monitored the Group's ongoing work to strengthen governance over the use of artificial intelligence, alongside the Group's broader information technology and cybersecurity risk framework
- reviewed and recommended to the Board the implementation of the Journey to Green cybersecurity programme for the Group by Cyberantix (Proprietary) Limited
- reviewed and recommended to the Board for approval of any policies proposed by management and relevant to the areas of responsibility of the committee.

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 5.7(h)(i) 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 competence, qualifications 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 instructed the internal auditors to ensure that all the relevant internal audit controls are in place.

5. Election of committee at the annual general meeting

Pursuant to the provisions of section 94(2) of the Companies Act, which required 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 2026 that Pamella Marlowe, Shelley Thomas be re-appointed as members of the Audit and Risk Committee. Ralph Patmore will not be up for re-appointment and will be replaced within the prescribed period.

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
Cybersecurity trends and related governance	• Report on cybersecurity trends quarterly • Implement a cybersecurity posture assurance process	✓	• Cybersecurity trends were reported on and discussed at the quarterly meetings • Reviewed and recommended to the Board the implementation of the Journey to Green cybersecurity programme for the Group by Cyberantix (Proprietary) Limited

Audit and Risk Committee Report

6. Assessment of the committee (continued)

Focus Area	Measurement	Achieved	Comment
Robustness of current business continuity processes across the Group	Update and test business continuity processes across the Group.	ongoing	Business continuity policies/plans have been put in place and being updated and tested across all group companies. This remains an ongoing area of focus as the plans need to be continuously updated as the environment changes.
Group's Risk Management function through combined assurance reporting.	Report on combined assurance biannually.	ongoing	Risk management maturity across the Group in ongoing. The Group's main operating entity has reported on combined assurance and reporting is being rolled out to other entities within the Group.

The following focus areas for the 2027 financial year were identified for monitoring by the Committee:

- Strengthen IT, cybersecurity and data governance expertise;
- Mature risk assessment process by setting more granular tolerance levels; and
- Enhance forward looking oversight by the committee on key risk areas of the Group.

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 2026, 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 cash flows 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 2026.

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 2026 for approval to the Board.

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



Pamela Marlowe

Chairman Audit and Risk Committee

30 September 2026

Directors' Report

The directors present their report on the financial statements of Mustek Limited and the group for the year ended 30 June 2026.

1. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with and the requirements of IFRS Accounting Standards, the Companies Act of South Africa and the JSE Listings Requirements. The accounting policies have been applied consistently compared to the prior year.

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 annual 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

	2026	2025
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 2026, 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	29 024 752	50.4 %
DK Trust	9 532 442	16.6 %
Mustek Executive Share Trust	3 408 143	5.9 %
	41 965 337	72.9 %

2026	Number of shareholders	% of shareholders	Number of shares	% of shares in issue
1 - 5000	3 623	95.6 %	1 073 558	2.0%
5001 - 10 000	72	1.9 %	559 183	1.0%
10 001 - 50 000	61	1.6 %	1 493 835	2.8 %
50 001 - 100 000	14	0.4 %	1 060 395	2.0 %
100 001 - 1 000 000	11	0.3 %	3 483 703	6.4 %
Over 1 000 000	8	0.2 %	46 461 153	85.8 %
	3 789	100.0 %	54 131 827	100.0 %

Directors' Report

3. Shareholder's spread (continued)

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	0.05 %	2 638 743	4.9 %
Public shareholders	3 787	99.95 %	51 493 114	95.1 %
	3 789	100.0 %	54 131 857	100.0 %

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 %

2025	Number of shareholders	% of shareholders	Number of shares	% of shares in issue
1 - 5 000	3 889	94.5 %	1 295 740	2.4 %
5 001 - 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 %

Mustek's executive directors, Hein Engelbrecht, Neels Coetzee and Shabana Aboo Baker Ebrahim, entered into a consortium agreement ("the agreement") with Novus Holdings ("Novus") on 13 November 2024. The agreement, subject to terms and condition, gives the executives an option to acquire, through a ring-fenced Manco structure, 25% of the Mustek shares to be acquired by Novus as part of the mandatory offer process (to a maximum of 3 million shares) at the same price that Novus acquires such shares. At the date of this report, the suspensive conditions of the agreement have not been fulfilled. Neither the Manco, nor any of the executive directors have acquired any Mustek shares in terms of the agreement.

In accordance with Section 45 of the Auditing Profession Act, the external auditors reported what they considered to be a Reportable Irregularity to the IRBA, related to Section 76 of the Companies Act, on the basis that the executive directors concluded a consortium agreement on 13 November 2024, but failed to disclose the conclusion and terms thereof to the Independent Board timeously. A Firm Intention Announcement issued on 15 November 2024 identified the executive directors as concert parties in relation to the mandatory offer but did not reflect the existence of the separate consortium agreement or its terms. The Independent Board was informed of the consortium agreement on 13 December 2024. The company issued a SENS Announcement on 24 December 2024 which disclosed the conclusion and terms of the agreement.

The matter resulted in no financial loss to the company or adjustment to the annual financial statements, and the external auditor has reported to the IRBA that the matter is no longer ongoing.

Directors' Report

4. Authority to buy back shares

At the AGM held on 20 November 2025, 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.

The Group holds 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 13.75 cents per ordinary share was declared on 19 September 2025 and paid on 13 October 2025. During the previous financial year, a final dividend of 7.5 cents per ordinary share was declared on 19 September 2024 and paid on 16 October 2024.

Refer to note 23 for further disclosures.

A gross final dividend of 37.5 cents per ordinary share for the year ended 30 June 2026 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 at the date of this declaration. The South African dividend tax rate is 20% resulting in a net dividend of 30.0 cents per share to shareholders who are not tax exempt.

Dividend declaration date	30 September 2026
Last day of trade cum dividend	20 October 2026
First day to trade ex-dividend	21 October 2026
Record date	23 October 2026
Payment date	26 October 2026

No share certificates may be dematerialised or rematerialised between Wednesday, 21 October 2026 and Friday, 23 October 2026, 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 and associates

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

Business AI Proprietary Limited:

Effective 1 August 2025, Mustek subscribed to a 51% equity interest in the newly incorporated Business AI Proprietary Limited, extending the Group's role across the AI value chain into the trusted and governed end of enterprise adoption.

Since the start-up date, Business AI has been included in the consolidated Group results. For the current reporting period, Business AI did generate revenue, however overall they contributed an operating loss to the Group. This performance is attributable to the initial investment requirements and operational setup costs inherent in the entity's current "start up" phase. Management remains satisfied that these results are in line with the strategic roadmap.

Investment in associates:

All associates contributed positively to the Group results.

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, 20 November 2025.
- With effect from 20 November 2025, 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.
- Amended memorandum of incorporation.

9. Events after the reporting period

- Subsequent to year-end, on 21 July 2026, the conditions precedent to the new Absa-led syndicated trade finance facilities of R1.1 billion (with Absa as Mandated Lead Arranger and Facility Agent and RMB as co-lender) were fulfilled and Financial Close was reached. The Facilities replace the Company's trade finance facilities at year end noted in note 24. This is a non-adjusting event after the reporting period; no adjustment has been made to the amounts recognised at 30 June 2026.
- Subsequent to year end, the Company opted not to accept the renewal of the overdraft facility noted in note 24.
- Subsequent to the year end, the Board resolved to change Mustek's financial year end from 30 June to 31 March, in order to align the Group's reporting cycle with that of its majority shareholder, Novus Holdings Limited. The change has been effected in accordance with section 27 of the Companies Act 71 of 2008, as amended. FY2027 will therefore be a shortened, nine-month transitional period ending 31 March 2027, after which Mustek's financial year will end on 31 March annually.
- Novus Holdings continued to increase its holding after year end. On 25 September 2026, in accordance with section 122 of the Companies Act 71 of 2008 and paragraph 6.54 of the JSE Listings Requirements, Novus advised the Company that its beneficial interest had risen to 57.63% of the Company's total issued share capital.

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.

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).

Directors' Report

10. Corporate activity

- 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.
- On 1 August 2025, Mustek and Novus issued a joint SENS announcement advising shareholders regarding an investigation by the Takeover Regulation Panel ("TRP") on certain matters around the mandatory offer.
- On 24 December 2025 the TRP issued a ruling concerning its investigation in which it concluded the following:
 - 1) Numus Capital Proprietary Limited ("Numus") was determined to be a concert party of Novus for the purposes of the mandatory offer; and
 - 2) In light of Numus being a concert party of Novus, the provisions of Regulation 111(6) are applicable and the Cash Consideration is required to be increased from R13.00 per Mustek Share, to R15.41 per Mustek Share.
- Novus notified the Takeover Special Committee ("TSC") of its intention to appeal the TRP ruling

On or about 4 May 2026 Novus, Numus, and the TRP ("the parties") concluded a settlement agreement to resolve the TSC Appeal and such agreement submitted to the TSC to be made an order of the TSC.

- As part of the settlement agreement Novus undertook to increase the Mandatory offer consideration to R15.41 per Mustek share for all Mustek shareholders, in accordance with Regulation 111(6) of the Companies Regulations.

At the date of this report, the settlement agreement has still not become effective and binding as it has not been confirmed as an order of the TSC. Novus has not received a certificate of compliance from the TRP 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.

As at year end Novus held 50.4% of the issued shares of Mustek Limited.

11. Legal disputes

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

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

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

Refer to note 30 of the financial statements.

12. Auditors

BDO South Africa Incorporated continued in office as auditors for the company and its major subsidiaries for 2026.

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 2027 financial year.

13. Secretary

The company secretary is Sirkien Van Schalkwyk.

Statements of Comprehensive Income

	Note(s)	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Revenue	4	7 256 052	7 183 089	4 711 661	4 865 313
Cost of sales		(6 331 155)	(6 225 210)	(4 134 410)	(4 317 480)
Gross profit		924 897	957 879	577 251	547 833
Foreign currency gains (losses)	6	52 589	9 976	23 989	13 768
Expected credit loss on trade receivables	20	(20 917)	(24 007)	(11 831)	(9 507)
Operating expenses		(744 207)	(764 327)	(451 400)	(469 434)
Operating profit	6	212 362	179 521	138 009	82 660
Investment income	7	8 907	15 579	138 166	49 467
Finance costs	8	(101 750)	(154 109)	(70 780)	(106 400)
Reversal of impairment of subsidiary loans	16	-	-	-	7 175
Impairment of investment in subsidiary	16	-	-	(6 583)	(12 898)
Profit from equity accounted investments	17	25 749	6 316	-	-
Other non-operating (losses)/gains	9	(3 089)	(482)	(271)	(2 789)
Profit before taxation		142 179	46 825	198 541	17 215
Income tax expense	10	(34 573)	(7 130)	(19 130)	5 654
Profit for the year		107 606	39 695	179 411	22 869
Other comprehensive income:					
Items that will be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(3 133)	2 611	-	-
Total items that may be reclassified to profit or loss		(3 133)	2 611	-	-
Other comprehensive (loss) income for the year net of taxation		(3 133)	2 611	-	-
Total comprehensive income for the year		104 473	42 306	179 411	22 869
Profit attributable to:					
Owners of the parent		107 609	38 820	179 411	22 869
Non-controlling interest		(3)	875	-	-
		107 606	39 695	179 411	22 869
Total comprehensive income attributable to:					
Owners of the parent		104 476	41 431	179 411	22 869
Non-controlling interest		(3)	875	-	-
		104 473	42 306	179 411	22 869
Earnings per share					
Basic earnings per ordinary share (cents)	23	198.79	71.71	-	-
Diluted earnings per ordinary share (cents)	23	198.79	71.71	-	-

Statements of Financial Position

		Group		Company	
	Note(s)	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	11	218 550	229 804	52 141	57 575
Right-of-use assets	13	52 377	80 394	54 581	82 178
Investment property	12	8 543	9 470		-
Goodwill	14	51 023	51 023		
Intangible assets	15	84 555	97 925	81 187	93 907
Investments in subsidiaries	16	-	-	260 102	268 720
Investment in associates	17	116 008	90 259	52 416	52 416
Other loans	18	15 096	15 042	35 685	35 512
Deferred tax	10	10 603	28 808	8 106	23 221
		556 755	602 725	544 218	613 529
Current Assets					
Inventories	19	1 798 518	1 749 665	1 092 297	1 052 581
Trade and other receivables	20	1 268 975	1 435 970	914 750	1 050 567
Contract assets	5	20 316	14 779	12 369	3 663
Foreign currency assets	27	3 361	734	763	568
Current tax receivable	34	8 051	7 377	2 577	6 529
Cash and cash equivalents	21	206 248	225 675	55 177	64 078
		3 305 469	3 434 200	2 077 933	2 177 986
Total Assets		3 862 224	4 036 925	2 622 151	2 791 515
Equity and Liabilities					
Equity					
Share capital	23	-	-	-	-
Foreign currency translation reserve		4 806	7 939	-	-
Retained earnings		1 647 959	1 545 490	1 223 068	1 051 569
Equity attributable to equity holders of the parent		1 652 765	1 553 429	1 223 068	1 051 569
Non-controlling interest		1 067	1 070	-	-
		1 653 832	1 554 499	1 223 068	1 051 569
Liabilities					
Non-Current Liabilities					
Borrowings and other liabilities	24	49 038	1 884	2 053	1 884
Loans from subsidiaries	16	-	-	46 288	-
Contract liabilities	5	11 791	16 853	11 791	16 854
Lease liabilities	13	35 190	63 957	39 724	70 422
Deferred tax	10	7 905	4 419	-	-
		103 924	87 113	99 856	89 160
Current Liabilities					
Trade and other payables	26	2 036 082	2 287 879	1 227 477	1 492 369
Loans from subsidiaries	16	-	-	7 212	96 203
Borrowings and other liabilities	24	2 105	30 197	-	-
Foreign currency liabilities	27	3 492	15 021	2 026	5 675
Lease liabilities	13	26 149	27 123	29 342	29 297
Contract liabilities	5	36 073	24 984	33 170	22 560
Current tax payable	34	567	4 387	-	-
Bank overdraft	24	-	5 722	-	4 682
		2 104 468	2 395 313	1 299 227	1 650 786
Total Liabilities		2 208 392	2 482 426	1 399 083	1 739 946
Total Equity and Liabilities		3 862 224	4 036 925	2 622 151	2 791 515

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 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	-	-	-	-	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
Profit for the year	-	-	107 609	107 609	(3)	107 606
Realisation of FCTR on deregistration of foreign subsidiary	-	-	2 772	2 772	-	2 772
Other comprehensive loss	-	(3 133)	-	(3 133)	-	(3 133)
Total comprehensive income for the year	-	(3 133)	110 381	107 248	(3)	107 245
Dividends (note 23)	-	-	(7 912)	(7 912)	-	(7 912)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(7 912)	(7 912)	-	(7 912)
Balance at 30 June 2026	-	4 806	1 647 959	1 652 765	1 067	1 653 832

Company	Share capital (note 23) R '000	Retained earnings R '000	Total equity R '000
Balance at 01 July 2024	-	1 033 016	1 033 016
Profit for the year	-	22 869	22 869
Total comprehensive income for the year	-	22 869	22 869
Dividends (note 23)	-	(4 316)	(4 316)
Total contributions by and distributions to owners of company recognised directly in equity	-	(4 316)	(4 316)
Balance at 30 June 2025	-	1 051 569	1 051 569
Profit for the year	-	179 411	179 411
Total comprehensive income for the year	-	179 411	179 411
Dividends (note 23)	-	(7 912)	(7 912)
Total contributions by and distributions to owners of company recognised directly in equity	-	(7 912)	(7 912)
Balance at 30 June 2026	-	1 223 068	1 223 068

Statement of Cash Flows

	Note(s)	Group	Company			
		2026 R '000	2025 R '000	2026 R '000	2025 R '000	
Cash flows from operating activities						
Cash generated from operations	22	115 847	687 376	53 322	617 729	
Interest income	7	8 304	15 579	2 518	5 522	
Dividends received	7	-	-	33 866	65 764	
Finance costs	8	(92 262)	(154 109)	(61 969)	(102 795)	
Dividends paid		(7 912)	(4 316)	(7 912)	(4 316)	
Tax paid	34	(16 325)	(14 863)	(62)	(3 128)	
Net cash generated from operating activities		7 652	529 667	19 763	578 776	
Cash flows from investing activities						
Purchase of property, plant and equipment	11	(12 911)	(6 664)	(6 211)	(1 027)	
Sale/recoupment of property, plant and equipment	11	1 266	20	98	-	
Purchases of intangible assets	15	(1 485)	(1 243)	(1 035)	(1 016)	
Loans repaid by subsidiaries	16	-	-	8 087	3 940	
Acquisition of subsidiary	16	-	1 063	(8 000)	-	
Proceeds from non-current asset held for sale	36	-	15 000	-	-	
Receipts from other loans	18	231	5 185	113	8 831	
Net cash generated from (used in) investing activities		(12 899)	13 361	(6 948)	10 728	
Cash flows from financing activities						
Loans received from subsidiaries	25	-	-	19 553	24 167	
Repayment of loans from subsidiaries	25	-	-	(7 578)	(34 395)	
Proceeds from borrowings	24	19 553		-		
Repayments of borrowings	24&25	(1 402)	(2 523)	-	-	
Proceeds from bank overdraft	25		-	-	-	
Capital repayment of lease liabilities	13&25	(26 609)	(24 191)	(29 009)	(26 185)	
Repayment of bank overdraft	25	(5 722)	(594 235)	(4 682)	(594 930)	
Net cash (used in) generated from financing activities		(14 180)	(620 949)	(21 716)	(631 343)	
Total cash movement for the year		(19 427)	(77 921)	(8 901)	(41 839)	
Cash and cash equivalents at the beginning of the year		225 675	303 596	64 078	105 917	
Cash and cash equivalents at the end of the year		21	206 248	225 675	55 177	64 078

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 paragraph 11.36 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 and 28). 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 Group's presentation currency 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 trade receivables 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 2026, the group and company adopted all relevant new or amended accounting pronouncements issued by the IASB which included:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment - Lack of Exchangeability). The Group and Company have assessed the impact and concluded that all currencies held within the group have no exchangeability risk and therefore the adoption of the amendment had no material impact on the financial statements.

Accounting Policies

2. New Standards and Interpretations

2.2. Standards and interpretations not yet effective

The group has and company chosen not to early adopt the following standards and interpretations, relevant to the company which have been published and are mandatory for the group's and company's accounting periods beginning on or after 01 July 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected 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 2027	Not expected to impact results but will result in a change in presentation of the statement of comprehensive income

Notes to the Financial Statements

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.

Segment reporting change

The Group has revised its internal reporting structure following changes in how the Chief Operating Decision Makers monitor and assess the performance of the business. As a result, the Group's reportable operating segments have changed.

Nature of Change

From 1 July 2025, management have rearranged the business segments from the group entities being looked at in a silo manner, to the entities in the group being allocated based on the Industries in which they operate, namely Distribution, Service and Support, Training and Group. These segments are presented to the Audit and Risk Committee as part of the reporting process.

Reason for Change

The change reflects the Groups shift towards a more industry focused reporting approach where the group can make better decisions based on industry risk profiles, current market trends and growth opportunities. The group will consider potential synergies between entities within a segment or between segments and how these can be utilised in order to achieve the objectives of the group as a whole.

The revised segment structure is now used for external reporting in accordance with IFRS 8 Operating Segments, which requires entities to present segment information consistent with internal management reporting. Comparative segment disclosures for the period ended 30 June 2025 have been restated to reflect the new segment presentation so that they are comparable with the current year's results.

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

Reportable Segment	Products and services
Distribution	Assembly and distribution of computer products, components and peripherals.
Services and support	Managed cybersecurity and "AI" services
Training	Providing of training of accredited training programs
Group	Equity accounted entities, property rental services and services to Group.

Notes to the Financial Statements

3. Segmental reporting (continued)

2026	Distribution R '000	Service and Support R '000	Training R '000	Group R '000	Elimination R '000	Total R '000
Revenue						
External sales	7 129 820	54 021	72 211	-		7 256 052
Inter-segment sales	1 242	319	3 185	-	(4 746)	-
Total revenue	7 131 062	54 340	75 396	-	(4 746)	7 256 052
Segment results						
Cost of sales	(6 266 646)	(35 345)	(30 406)	-	1 242	(6 331 155)
Foreign currency gains / (losses)	57 126	(121)	(313)	(4 103)	-	52 589
Expected credit loss on trade receivables	(20 834)	(141)	75	-	(17)	(20 917)
Operating expenses excluding employee costs, depreciation and amortisation	(191 981)	(6 695)	(9 308)	3 302	(8 205)	(212 887)
Employee costs	(407 709)	(7 136)	(31 820)	(19 656)	-	(466 321)
EBITDA *	301 018	4 902	3 624	(20 457)	(11 726)	277 361
Depreciation and amortisation	(63 528)	(880)	(2 269)	(4 054)	5 732	(64 999)
Profit (loss) from operations	237 490	4 022	1 355	(24 511)	(5 994)	212 362
Investment income	8 006	187	417	140 634	(140 337)	8 907
Finance costs	(103 618)	(1 546)	-	(4 389)	7 803	(101 750)
Other non-operating gains (losses)	(2 929)	-	-	3 800	(3 960)	(3 089)
Gain from equity accounted - investments	-	-	-	25 749	-	25 749
Profit (loss) before tax	138 949	2 663	1 772	141 283	(142 488)	142 179
Income tax (expense) benefit	(31 034)	(746)	(223)	(4 915)	2 345	(34 573)
Profit (loss) for the year	107 915	1 917	1 549	136 368	(140 143)	107 606

* Earnings before interest, tax, depreciation and amortisation.

Notes to the Financial Statements

3. Segmental reporting (continued)

2025	Distribution R '000	Service and Support R '000	Training R '000	Group R '000	Elimination R '000	Total R '000
Revenue						
External sales	7 055 522	30 896	89 684	6 987	-	7 183 089
Inter-segment sales	-	-	4 421	-	(4 421)	-
Total revenue	7 055 522	30 896	94 105	6 987	(4 421)	7 183 089
Segment results						
Cost of sales	(6 185 190)	(15 571)	(24 449)	-	-	(6 225 210)
Foreign currency gains / (losses)	11 248	-	(8)	(1 264)	-	9 976
Expected credit loss on trade receivables	(24 027)	-	(153)	-	173	(24 007)
Operating expenses excluding employee costs, depreciation and amortisation	(194 238)	(6 201)	(8 083)	9 233	(16 938)	(216 227)
Employee costs	(421 763)	(3 463)	(34 670)	(19 150)	-	(479 046)
EBITDA *	241 552	5 661	26 742	(4 194)	(21 186)	248 575
Depreciation and amortisation	(67 142)	(494)	(2 849)	(4 370)	5 801	(69 054)
Profit (loss) from operations	174 410	5 167	23 893	(8 564)	(15 385)	179 521
Investment income	9 073	120	219	52 608	(46 441)	15 579
Finance costs	(156 282)	(1 282)	(12)	(3 607)	7 074	(154 109)
Other non-operating gains (losses)	(482)	-	-	(7 486)	7 486	(482)
Loss from equity-accounted investments	-	-	-	6 316	-	6 316
Profit (loss) before tax	26 719	4 005	24 100	39 267	(47 266)	46 825
Income tax (expense) benefit	1 996	(1 089)	(6 469)	(1 724)	156	(7 130)
Profit (loss) for the year	28 715	2 916	17 631	37 543	(47 110)	39 695

* Earnings before interest, tax, depreciation and amortisation.

Notes to the Financial Statements

3. Segmental reporting (continued)

2026	Distribution R '000	Service and Support R '000	Training R '000	Group R '000	Elimination R '000	Total R '000
Other information						
Capital expenditure	13 485	635	275	-	-	14 395
Assets						
Segment assets	3 441 892	27 934	42 109	523 747	(297 517)	3 738 165
Investment in associates	-	-	-	116 008	-	116 008
Current tax assets	4 701	301	290	-	2 759	8 051
Consolidated total assets	3 446 593	28 235	42 399	639 755	(294 758)	3 862 224
Liabilities						
Segment liabilities	2 263 247	12 546	16 806	59 303	(144 077)	2 207 825
Current tax liabilities	472	-	-	95	-	567
Consolidated total liabilities	2 263 719	12 546	16 806	59 398	(144 077)	2 208 392
Number of employees at year-end	925	33	51	-	-	1 009

2025	Distribution R '000	Service and Support R '000	Training R '000	Group R '000	Elimination R '000	Total R '000
Other information						
Capital expenditure	4 464	2 656	785	-	-	7 905
Assets						
Segment assets	3 731 653	26 004	44 415	442 764	(305 547)	3 939 289
Investment in associates	-	-	-	90 259	-	90 259
Current tax assets	6 860	-	-	-	517	7 377
Consolidated total assets	3 738 513	26 004	44 415	533 023	(305 030)	4 036 925
Liabilities						
Segment liabilities	2 589 770	18 981	7 749	35 891	(174 352)	2 478 039
Current tax liabilities	284	1 253	2 621	229	-	4 387
Consolidated total liabilities	2 590 054	20 234	10 370	36 120	(174 352)	2 482 426
Number of employees at year-end	1 017	33	62	-	-	1 112

Notes to the Financial Statements

3. Segmental reporting (continued)

Geographical segments

	East Africa R '000	Taiwan R '000	South Africa R '000	Total R '000
2026				
Revenue	54 096	12 195	7 189 761	7 256 052
Profit before tax	(778)	6 841	136 116	142 179
Income tax benefit (expense)	(749)	(2 922)	(30 902)	(34 573)
Profit for the year	(1 527)	3 919	105 214	107 606
Other information				
Capital expenditure	962	-	13 433	14 395
Segment assets	71 313	53 862	3 728 998	3 854 173
Current tax assets	-	-	8 051	8 051
Consolidated total assets	71 313	53 862	3 737 049	3 862 224
2025				
Revenue	62 943	13 513	7 106 633	7 183 089
Profit before tax	2 239	635	43 951	46 825
Income tax benefit (expense)	(1 474)	1 345	(7 001)	(7 130)
Profit for the year	765	1 980	36 950	39 695
Other information				
Capital expenditure	835	110	6 960	7 905
Segment assets	90 274	81 398	3 857 876	4 029 548
Current tax assets	-	-	7 377	7 377
Consolidated total assets	90 274	81 398	3 865 253	4 036 925

Notes to the Financial Statements

4. Revenue

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Revenue from contracts with customers				
Sale of goods	7 055 588	6 979 690	4 640 937	4 785 889
Rendering of services*	200 464	203 399	70 724	79 424
	7 256 052	7 183 089	4 711 661	4 865 313

Disaggregation of revenue from contracts with customers

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

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

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Sale of goods (revenue earned at a point in time)	7 055 588	6 979 690	4 640 937	4 785 889
Hardware sales				
Dealers	4 900 206	4 558 260	2 840 489	2 756 184
Retailers	392 664	421 421	204 835	196 008
Public sector supplies*	1 393 369	1 470 065	1 393 370	1 470 065
Export	233 034	408 971	119 906	295 216
	6 919 273	6 858 717	4 558 600	4 717 473
Software sales				
Dealers	71 193	63 851	48 445	31 606
Retailers	2 874	3 938	262	245
Public sector supplies	28 173	29 287	28 173	29 287
Export	4 835	4 149	1 206	1 261
Agency software sales	29 240	19 748	4 251	6 017
	136 315	120 973	82 337	68 416
Revenue from services	200 464	203 399	70 724	79 424
Rendering of services (revenue earned over time)				
Maintenance and support contracts - net of deferred revenue*	65 967	69 416	62 459	69 416
Training contracts - net of deferred revenue	72 211	89 685	-	-
Managed cybersecurity services	54 021	30 896	-	-
	192 199	189 997	62 459	69 416
Rendering of services (revenue earned at a point in time)				
Repair services	8 265	13 402	8 265	10 008
Total revenue from contracts with customers	7 256 052	7 183 089	4 711 661	4 865 313

* In the current year maintenance revenue previously disclosed in "Hardware sales - public sector" has been re-allocated to maintenance and support contracts as the nature of revenue was maintenance rather than hardware sales. The prior year comparative of R44 million for group and company, has also been re allocated. There was no change in overall revenue for Group and company.

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	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Contract assets	20 316	14 779	12 369	3 663
Reconciliation of contract assets				
Opening balance	14 779	8 467	3 663	6 803
Transfers of contract assets to inventory	(5 455)	(8 467)	(3 663)	(6 803)
Release of commission contract asset to trade receivables	(9 324)		-	
New contracts from expected returns on hardware sales	13 875	5 455	12 369	3 663
Contract asset relating to commission	6 441	9 324	-	-
Closing balance	20 316	14 779	12 369	3 663

Contract assets are recognised when revenue is recognised under IFRS 15 and relates to hardware inventory that remains subject to customers' rights of return under the Group's returns policy. When hardware is returned, 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	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Deferred revenue - extended warranties	24 263	35 114	24 263	35 114
Deferred revenue - training contracts	909	409	-	-
Total deferred revenue	25 172	35 523	24 263	35 114
Expected refunds to customers	22 692	6 314	20 698	4 300
	47 864	41 837	44 961	39 414
Reconciliation of contract liabilities				
Opening balance	41 837	62 214	39 414	55 897
Deferred revenue recognised in revenue	(20 411)	(26 942)	(20 003)	(22 514)
Deferred revenue - extended warranties	9 153	9 380	9 153	9 380
Deferred revenue - training contracts	909	409	-	-
Expected refunds to customers	16 376	(3 224)	16 397	(3 349)
Closing balance	47 864	41 837	44 961	39 414
Split between non-current and current portions				
Non-current liabilities	11 791	16 853	11 791	16 854
Current liabilities	36 073	24 984	33 170	22 560
	47 864	41 837	44 961	39 414

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	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Deferred revenue maturity analysis				
Year 1	13 381	18 670	12 472	18 260
Year 2	6 717	10 174	6 717	10 175
Year 3	3 228	4 535	3 228	4 535
Year 4	1 401	1 741	1 401	1 741
Year 5	445	403	445	403
	25 172	35 523	24 263	35 114

6. Profit from operations

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

	Notes	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Operating income					
Bad debts recovered		405	3 294	312	1 089
Gain from early termination of property lease		2 845	-	2 845	-
Rental income from investment property	12	3 126	3 176	-	-

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Auditor's remuneration - external				
External audit fees approved for BDO South Africa Incorporated	7 283	6 816	4 420	4 628
External audit fees - other	136	649	-	-
Non audit services fees - external	-	42	-	-
	7 419	7 507	4 420	4 628
Leases				
Short term leases	74	69	74	69
Total lease expenses	74	69	74	69

Notes to the Financial Statements

6. Profit from operations (continued)

Notes	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Depreciation and amortisation				
Depreciation of investment property on the cost model	12	197	226	-
Depreciation of property, plant and equipment	11	22 409	25 264	11 487
Depreciation of right-of-use assets	13	27 644	28 503	28 776
Amortisation of intangible assets	15	14 749	15 061	13 755
Total depreciation and amortisation		64 999	69 054	54 018
Employee costs				
Employee costs		508 905	506 214	293 179
Retrenchment costs		-	4 128	-
Total	29	508 905	510 342	293 179
Loss on disposal / scrapping of intangible assets	15	110	-	-
Loss/(profit) on disposal / scrapping of property, plant and equipment	11	384	589	60
Foreign Exchange (gains)/losses				
Realised		(36 664)	(1 918)	(24 823)
Unrealised		(16 056)	(22 344)	(429)
Fair value adjustment - open forward exchange contracts	27	131	14 286	1 263
		(52 589)	(9 976)	(23 989)

7. Investment income

Notes	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Dividend income				
Group entities:				
Dividends from subsidiaries	-	-	133 302	41 736
Interest income				
Investments in financial assets:				
Bank balances	8 671	15 296	2 518	5 239
Other	236	283	237	283
Loans to subsidiaries (non-cash)	16,31	-	2 109	2 209
Total interest income	8 907	15 579	4 864	7 731
Total investment income	8 907	15 579	138 166	49 467

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

Dividend income is appropriately classified as investment income as it arises from Mustek's ownership interests in its underlying investee entities and represents a return on capital invested. Such income is not generated from the Group's principal revenue-generating activities of distributing and selling ICT products and services, but rather from the Group's investment activities.

Accordingly, dividend income is distinct from trading revenue and reflects the economic benefits derived from Mustek's investment portfolio.

R40 million of the R133.3million dividend is accrued in trade and other receivables (note 20) and R59.4 million was offset against loans from subsidiaries (note 25 and note 31).

Notes to the Financial Statements

8. Finance costs

	Notes	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Interest paid on bank overdraft		3 317	27 154	3 243	27 059
Interest paid on borrowings	24	4 328	3 605	-	-
Interest paid on lease liabilities	13	8 325	10 140	8 954	11 374
Interest paid on trade finance		85 622	113 210	54 255	64 362
Interest paid - other		158	-	-	-
Interest paid on loan from group companies (non-cash)	25,31	-	-	4 328	3 605
Total finance costs		101 750	154 109	70 780	106 400

9. Other non-operating losses

	Notes	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Gains (losses) on disposals, scrappings or settlements					
Write off of other loans		(118)	-	(118)	-
Expected credit losses on					
Loans to subsidiaries		-	-	-	(2 307)
Other loans	18	(237)	(514)	(237)	(514)
Reversal of expected credit losses on					
Loans to subsidiaries	16	-	-	46	-
Other loans	18	38	32	38	32
Other items previously recognised in other comprehensive income realised through profit or loss:					
Loss on realisation of FCTR on deregistration of foreign subsidiary		(2 772)	-	-	-
Total other non-operating (losses) gains		(3 089)	(482)	(271)	(2 789)

Notes to the Financial Statements

10. Taxation

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Taxation				
South African normal tax expense (income)	30 807	6 950	19 130	(5 654)
Foreign tax	3 672	129	-	-
Withholding tax	94	51	-	-
	34 573	7 130	19 130	(5 654)
Comprising				
Normal current tax				
- Current year	10 175	12 315	4 014	-
- Prior year	1 562	(3 373)	-	-
Normal deferred tax				
- Current year	22 599	(1 827)	14 973	(5 652)
- Prior year	144	(36)	143	(2)
Withholding tax	94	51	-	-
	34 573	7 130	19 130	(5 654)
The tax expense relates to the following tax jurisdictions:				
South African Revenue Service	30 902	7 002	19 130	(5 654)
Kenya Revenue Authority	749	1 473	-	-
Revenue Service Office, New Taipei City Government	2 922	(1 345)	-	-
	34 573	7 130	19 130	(5 654)
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Profit before tax	142 179	46 825	198 541	17 215
Applicable tax rate	27.0%	27.0 %	27.0%	27.0 %
Dividends received	-	- %	(18.1)%	(65.5)%
Current tax prior year under/over provision	1.1%	(7.2)%	-	- %
Deferred tax prior year under/over provision	0.1%	(0.1)%	0.1%	- %
(Gain)/loss from associates already taxed	(4.9)%	(3.6)%	-	- %
Learnership agreement allowances	(0.9)%	(1.6)%	(0.3)%	(2.8)%
Disallowed expenses **	1.4%	1.1 %	0.1%	0.1 %
Non-taxable income (ETI)	(0.3)%	(0.8)%	(0.1)%	(0.8)%
Foreign tax*	0.3%	0.4 %	-	- %
FCTR on deregistration of foreign subsidiary	0.5%	-%	-	- %
Impairment of investment in subsidiary	-	-%	0.9%	20.2 %
Reversal of expected credit loss on subsidiary loans	-	-%	-	(11.0)%
	24.3%	15.2 %	9.6%	(32.8)%

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

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

Notes to the Financial Statements

10. Taxation (continued)

* Foreign tax - tax rates of 20% for Mecer Technologies and 30% for Mustek East Africa are applied. 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% (2025: 27%) except if otherwise indicated:

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Deferred tax liability				
Accelerated wear and tear for tax purposes	(30 929)	(28 645)	(17 919)	(15 587)
Right of use asset	(14 091)	(21 541)	(14 737)	(22 188)
Prepayments	(2 308)	(3 189)	(1 461)	(2 156)
Operating lease assets	(1)	(1)	(1)	(1)
Unrealised exchange gains or losses	(6 979)	(8 092)	(6 160)	(7 268)
Contract assets	(5 485)	(3 990)	(3 340)	(989)
Total deferred tax liability	(59 793)	(65 458)	(43 618)	(48 189)
Deferred tax asset				
Allowance for expected credit losses	12 318	16 335	6 864	7 336
Salary-related accruals / liabilities	12 885	11 792	7 774	6 927
Lease liabilities	16 480	24 350	18 648	26 930
Commission accruals	4 749	1 420	4 316	1 419
Other accruals	853	773	765	737
Deferred revenue	6 730	9 562	6 551	9 481
Contract liabilities	6 127	1 705	5 588	1 161
Tax losses available for set off against future taxable income	2 350	23 910	1 218	17 419
Total deferred tax asset	62 492	89 847	51 724	71 410
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	(7 905)	(4 419)	-	-
Deferred tax asset	10 603	28 808	8 106	23 221
Total net deferred tax asset	2 698	24 389	8 106	23 221

Notes to the Financial Statements

10. Taxation continued

	Group		Company	
	2026	2025	2026	2025
	R '000	R '000	R '000	R '000
Reconciliation of deferred tax asset/(liability)				
At beginning of year	24 389	22 068	23 221	17 567
Taxable loss	(21 560)	13 428	(16 201)	13 829
Allowance for credit losses	(4 017)	(141)	(472)	(1 733)
Salary - related accruals	1 093	18	847	62
Accelerated wear and tear	(2 284)	(2 473)	(2 332)	(2 542)
Prepayments	881	(1 484)	695	(1 161)
Operating lease assets	-	6	-	5
Right-of-use asset	7 450	4 221	7 451	7 300
Lease liability	(7 870)	(3 039)	(8 282)	(6 372)
Commission accrual	3 329	225	2 897	224
Other accruals	80	156	28	168
Unrealised exchange gains and losses	60	(1 278)	1 108	341
Deferred revenue	(2 832)	(4 337)	(2 930)	(3 545)
Contract assets	(1 495)	(1 704)	(2 351)	848
Contract liabilities	4 422	(1 735)	4 427	(1 770)
Movement through the Statement of Comprehensive Income	(22 743)	1 863	(15 115)	5 654
Foreign currency translation reserve	1 052	316	-	-
Movement through equity	1 052	316	-	-
Deferred tax liability recognised on customer contracts	-	(240)	-	-
Deferred tax asset acquired as part of a business combination	-	382	-	-
	2 698	24 389	8 106	23 221

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 R8.7 million and R4.5 million for Group and company respectively. There are no unrecognised deferred tax assets.

11. Property, plant and equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Group						
Land and buildings	111 679	(4 250)	107 429	109 092	(4 111)	104 981
Plant and machinery	108 705	(55 343)	53 362	107 067	(50 189)	56 878
Furniture, fixtures and office equipment	50 613	(30 910)	19 703	54 733	(31 194)	23 539
Motor vehicles	14 938	(9 232)	5 706	15 901	(8 993)	6 908
Computer equipment	86 772	(74 334)	12 438	86 463	(70 844)	15 619
Leasehold improvements	52 393	(32 481)	19 912	52 271	(30 392)	21 879
Total	425 100	(206 550)	218 550	425 527	(195 723)	229 804

Notes to the Financial Statements

11. Property, plant and equipment (continued)

	2026			2025		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Company						
Land and buildings	784	-	784	784	-	784
Plant and machinery	49 462	(23 929)	25 533	46 978	(21 101)	25 877
Furniture, fixtures and office equipment	23 615	(11 000)	12 615	22 988	(8 629)	14 359
Motor vehicles	14 041	(8 571)	5 470	14 652	(8 079)	6 573
Computer equipment	59 766	(52 027)	7 739	57 190	(47 208)	9 982
Leasehold improvements	2 407	(2 407)	-	2 407	(2 407)	-
Total	150 075	(97 934)	52 141	144 999	(87 424)	57 575

Reconciliation of property, plant and equipment

	Opening balance R'000	Additions R'000	Disposals R'000	Foreign exchange movements R'000	Deprecia- tion R'000	Closing balance R'000
Group – 2026						
Land and buildings	104 981	2 654	(30)	-	(176)	107 429
Plant and machinery	56 878	2 759	(522)	21	(5 774)	53 362
Furniture, fixtures and office equipment	23 539	987	(41)	(57)	(4 725)	19 703
Motor vehicles	6 908	815	(945)	(12)	(1 060)	5 706
Computer equipment	15 619	5 574	(112)	(58)	(8 585)	12 438
Leasehold improvements	21 879	122	-	-	(2 089)	19 912
	229 804	12 911	(1 650)	(106)	(22 409)	218 550

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

Notes to the Financial Statements

11. Property, plant and equipment (continued)

	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	Closing balance R'000
Company – 2026								
Land and buildings	784	-	-	-	-	-	-	784
Plant and machinery	25 877	2 485	-	-	-	-	(2 829)	25 533
Furniture, fixtures and office equipment	14 359	627	-	-	-	-	(2 371)	12 615
Motor vehicles	6 573	-	-	(131)	-	-	(972)	5 470
Computer equipment	9 982	3 099	-	(27)	-	-	(5 315)	7 739
Leasehold improvements	-	-	-	-	-	-	-	-
	57 575	6 211	-	(158)	-	-	(11 487)	52 141

	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

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. The group and company do not have any significant planned capital expenditure in the near future.

Property to the value of R64.3 million (2025: R64.3 million) has been pledged as security for a mortgage bond and property, with a carrying value of R59.5 million (2025: R58.5 million) has been pledged as security for a trade finance facility.

12. Investment property

Group	2026			2025		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Investment Property	11 708	(3 165)	8 543	12 695	(3 225)	9 470

Reconciliation of investment property - Group 2026

Group	Opening balance R'000	Foreign exchange movements R'000	Depreciation R'000	Carrying value R'000
Investment property	9 470	(730)	(197)	8 543

Reconciliation of investment property - Group 2025

	Opening balance R'000	Foreign exchange movements R'000	Depreciation R'000	Total R'000
Investment property	9 883	(187)	(226)	9 470

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 R33.9 million and R35.3 million (2025: R35 million - R35.5 million) dependent on valuation approach used. Refer note 28.

In the prior year the building was disclosed in-subsequent events as held-for-sale, however in the current year there is no further intention to sell and therefore has not been re-allocated.

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	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Rental income from investment property	3 126	3 176	-	-
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 (2025: 0.129)				
Total rental income from foreign country investment property				
Year 1	1 337	3 445	-	-
Year 2	-	1 436	-	-
	1 337	4 881	-	-

The current lease expires in November 2026 and the renewal of the lease is in progress.

13. Right-of-use assets and lease liabilities

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Group	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	95 046	(49 495)	45 551	111 857	(34 785)	77 072
Motor vehicles	10 745	(4 124)	6 621	9 290	(6 275)	3 015
Equipment	824	(619)	205	824	(517)	307
Total	106 615	(54 238)	52 377	121 971	(41 577)	80 394

Company	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	133 509	(78 928)	54 581	143 215	(61 037)	82 178
Total	133 509	(78 928)	54 581	143 215	(61 037)	82 178

Notes to the Financial Statements

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

	Group		Company	
	2026	2025	2026	2025
	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	45 551	77 072	54 581	82 178
Motor vehicles	6 621	3 015	-	-
Equipment	205	307	-	-
	52 377	80 394	54 581	82 178
Additions / Modifications to right-of-use assets				
Land and buildings - additions	3 015	10 786	10 084	2 585
Land and buildings - modifications	-	584	-	-
Land and buildings - terminations	(8 905)	-	(8 905)	-
Equipment - additions	-	1 085	-	-
Motor vehicle - additions	5 552	-	-	-
	(338)	12 455	1 179	2 585
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), as well as depreciation which has been capitalised to the cost of other assets.				
Land and buildings	25 596	26 632	28 776	29 621
Motor vehicles	1 946	1 769	-	-
Equipment	102	102	-	-
	27 644	28 503	28 776	29 621
Other disclosures				
Foreign exchange movements	(36)	(14)	-	-

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	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Lease liability reconciliation				
Opening balance	91 080	102 800	99 719	123 319
Additions	8 567	11 872	10 084	2 585
Modifications	-	583	-	-
Terminations	(11 750)	-	(11 728)	-
Foreign exchange movements	51	16	-	-
Interest expense	8 325	10 140	8 954	11 374
Lease payments	(34 934)	(34 331)	(37 963)	(37 559)
Closing balance	61 339	91 080	69 066	99 719
The maturity analysis of lease liabilities is as follows:				
Year 1	31 140	35 409	34 921	38 060
Year 2	26 625	35 217	31 613	38 314
Year 3	5 399	30 158	7 605	34 844
Year 4	4 604	3 355	3 113	4 990
Year 5	1 684	1 907	780	384
Onwards	1 238	1 996	-	-
	70 690	108 042	78 032	116 592
Less finance charges component	(9 351)	(16 962)	(8 966)	(16 873)
	61 339	91 080	69 066	99 719
Non-current liabilities	35 190	63 957	39 724	70 422
Current liabilities	26 149	27 123	29 342	29 297
	61 339	91 080	69 066	99 719

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			2026		
	Cost R000	Accumulated impairment R000	Carrying value R000	Cost R000	Accumulated impairment R000	Carrying value R000
Group						
Goodwill	58 740	(7 717)	51 023	58 740	(7 717)	51 023

The carrying amount of goodwill has been allocated as follows:

	Pre-tax discount 2026	Pre-tax discount 2025	Assumptions	2026	2025
Mustek	21.9%	21.8%	Five-year cash forecast, based on budgeted profits, with perpetual cash forecast thereafter, 2% (2025: 2%) annual growth rate and 4.5% (2025: 4.5%) terminal rate.	16 069	16 069
Rectron	29.8%	26.1%	Five-year cash forecast, based on budgeted profits, with perpetual cash forecast thereafter, 2.5% (2025: 2.5%) annual growth rate and a 3.5% (2025: 2.3%) terminal rate.	27 276	27 276
Cyberantix	21.9%	22.0%	Five year cash forecast, based on current year profits, with perpetual cash forecast thereafter, 5% (2025: 4%) annual growth rate and a 5% (2025: 3.5%) terminal rate.	7 678	7 678
				51 023	51 023

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. The average CGU growth rates and terminal rates which are included in the table above have been determined 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 increase in the discount rate for Rectron related mainly to the increase in the cost of equity.

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.

Notes to the Financial Statements

14. Goodwill (continued)

Reconciliation of goodwill

	Opening balance R'000	Movements R'000	Closing balance R'000
Group – 2026			
Goodwill	51 023	-	51 023

	Opening balance R'000	Additions through business combinations R'000	Closing balance R'000
Group – 2025			
Goodwill	43 345	7 678	51 023

15. Intangible assets

	2026 Cost R'000	2026 Accumulated amortisation R'000	2026 Carrying value R'000	2025 Cost R'000	2025 Accumulated amortisation R'000	2025 Carrying value R'000
Group						
Customer contracts*	890	(356)	534	890	(178)	712
Computer software	213 568	(129 547)	84 021	212 236	(115 023)	97 213
	214 458	(129 903)	84 555	213 126	(115 201)	97 925

	2026 Cost R'000	2026 Accumulated amortisation R'000	2026 Carrying value R'000	2025 Cost R'000	2025 Accumulated amortisation R'000	2025 Carrying value R'000
Company						
Computer software	200 402	(119 215)	81 187	199 367	(105 460)	93 907

Notes to the Financial Statements

15. Intangible assets (continued)

Reconciliation of intangible assets

	Opening balance R'000	Additions R'000	Disposals R'000	Foreign exchange movement R'000	Amortisation R'000	Closing balance R'000
Group - 2026						
Customer contract	712	-	-	-	(178)	534
Computer software	97 213	1 484	(110)	5	(14 571)	84 021
	97 925	1 484	(110)	5	(14 749)	84 555

	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

Reconciliation of intangible assets

	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Company - 2026					
Computer software	93 907	1 035	-	(13 755)	81 187
	93 907	1 035	-	(13 755)	81 187
		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

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 with Cyberantix (Pty) Ltd in the prior year. The customer contracts will be amortised over 5 years, remaining useful life is 4 years.

Computer Software is amortised on a straight-line basis over their useful lives. The remaining useful lives of 1 - 2 years for short term software and 6.5 years for the Epicor system specifically.

Notes to the Financial Statements

16. Investment in subsidiaries

	Notes	2026 R'000	2025 R'000
Company			
Shares at cost less accumulated impairment		210 202	208 785
- opening balance		208 785	213 551
- additional investment in subsidiary (Note 2)		8 000	8 132
- Current year impairment (Note 1 below)		(6 583)	(12 898)
Loans owing by subsidiaries		101 943	112 024
- opening balance		112 024	110 178
- repayment of loans		(8 087)	(3 940)
- non - cash repayment of loans		-	(7 028)
- non - cash loans acquired through a business combination		-	11 868
- non-cash interest	7	2 109	2 209
- foreign exchange movement		(4 103)	(1 263)
Expected credit loss		(52 043)	(52 089)
- opening balance		(52 089)	(56 957)
- reversals		46	7 175
- current year expected credit loss		-	(2 307)
Investment in subsidiaries		260 102	268 720
Loans owing to subsidiaries	24, 25	(53 500)	(96 203)
		206 602	172 517

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 2026	% holding 2025	2026 R'000	2025 R'000
Brotek Proprietary Limited	South Africa	Property holding	100 %	100 %	71 468	71 468
Cyberantix Proprietary Limited	South Africa	Trading	70 %	70 %	8 132	8 132
Business AI Proprietary Limited (Note 2)	South Africa	Trading	51 %	- %	8 000	-
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 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	South Africa	Investment holding	100 %	100 %	-	-
Quickstep 94 Proprietary Limited	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	South Africa	Dormant	100 %	100 %	35 944	35 944
Total cost					276 532	268 532
Accumulated impairment					(66 330)	(59 747)
Opening balance					(59 747)	(47 176)
Current year impairment (note 1)					(6 583)	(12 898)
Impairment utilised due to deregistration					-	327
Carrying amount at year-end					210 202	208 785

*Fully impaired in prior years

** Amounts less than R1000

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. An additional impairment of R6.58 million was raised in the current year on the investment. On 29 June 2026, Management of Mustek Limited entered into a purchase agreement with a 3rd party which will allow them to purchase 100% of the shares in Mustek East Africa on or before 30 September 2028 subject to suspensive conditions being met. The recoverable amount of investment was determined based on the purchase price per the agreement.

Since the suspensive conditions are most likely to be fulfilled more than 12 months after year end, the sale of Mustek East Africa has not been classified as "held for sale", nor did they meet the definition of a discontinued operation.

Note 2: Effective 1 August 2025, Mustek subscribed to a 51% equity interest in the newly incorporated Business AI (Pty) Ltd. Since this entity is a start up, the equity interest acquired is not considered as a business combination.

Notes to the Financial Statements

16. Investment in subsidiaries (continued)

	2026 R'000	2025 R'000
Loans to subsidiaries		
Mustek East Africa Limited	43 641	47 364
This loan bears interest at two percent per annum (2025: 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	6 259	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.		
	49 900	59 935

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
In default	There is insufficient cash or near cash investments held by subsidiary to repay the loan today.	Lifetime ECL
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	not applicable

Credit loss allowances

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

Instrument	External rating applicable to country of entity	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross carrying amount	Loss allowance	Amortised cost
Company – 2026							
Loans to subsidiaries							
Makeshift 1000 Proprietary Limited*		Internal rating	In default	Lifetime ECL	43 192	(43 192)	-
Cyberantix Proprietary Limited	Ba2	Moody's Investor Services	Performing	12m ECL	6 264	(5)	6 259
Mustek East Africa Limited	B2	Moody's Investor Services	In default	Lifetime ECL	50 417	(6 776)	43 641
Mustek Lesotho Proprietary Limited*		Internal rating	In default	Lifetime ECL	952	(952)	-
Mustek Middle East FZCO*		Internal rating	In default	Lifetime ECL	1 118	(1 118)	-
					101 943	(52 043)	49 900

* 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 ap- plicable 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	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	54 144	(6 780)	47 364
Mustek Lesotho Proprietary Limited*		Internal rating	In default	Lifetime ECL	952	(952)	-
Mustek Middle East FZCO*		Internal rating	In default	Lifetime ECL	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)

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	
	2026 R'000	2025 R'000
Loans to subsidiary: Loss allowance measured at 12 month ECL:		
Opening balance	47	151
Changes due to investments recognised at the beginning of the reporting period:		
Increase in loans	-	47
Reduction due to repayment	(42)	(151)
Closing balance - 12 month ECL	5	47
Loans to subsidiaries: Loss allowance measured at lifetime ECL:		
Opening balance	52 042	56 806
Changes due to investments recognised at the beginning of the reporting period:		
Changes in credit risk	-	2 260
Reduction due to loan repayment	(4)	(7 024)
Closing balance - 12 month ECL	52 038	52 042
Closing balance - lifetime ECL	52 043	52 089

Loans from subsidiaries

	2026 R'000	2025 R'000
Brotek Proprietary Limited	53 500	88 624
Note 1		
Rectron Proprietary Limited	-	7 579
Note 2		
	53 500	96 203

Note 1: Brotek is made up of two loans with different terms: The first loan has a balance of R5.1 million (2025: R58.4 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). The balance of this loan is R48.4 million (2025: R30.2 million) of which R2.1 million is payable within the next 12 months. This loan is carried at amortised cost and carries the same terms as the mortgage bond disclosed in note 24.

Note 2: This loan is interest free and has no fixed terms of repayment. This loan was repaid in full in the current year.

Split between non-current and current portions

	2026 R'000	2025 R'000
Non-current liabilities	46 288	-
Current liabilities	7 212	96 203
	53 500	96 203

Notes to the Financial Statements

16. Investment in subsidiaries (continued)

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.

Refer to note 24 for accounting policy on loan payables.

Expected credit loss

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.

Fair value of subsidiary loans

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

17. Investment in associate

	Note	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Shares at cost		51 116	51 116	51 116	51 116
– opening balance		51 116	55 305	51 116	55 305
- derecognised investment		-	(4 189)	-	(4 189)
Impairments			-	-	-
– opening balance		-	(4 189)	-	(4 189)
– derecognised investment (note 3)		-	4 189	-	4 189
Share of undistributed post-acquisition gains		63 592	37 843	-	-
– opening balance		37 843	31 527	-	-
– current year share of post-acquisition profit		25 749	6 316	-	-
Loans owing by associates		1 300	1 300	1 300	1 300
Opening balance		1 300	1 300	1 300	1 300
Investment in associates		116 008	90 259	52 416	52 416

Notes to the Financial Statements

17. Investment in associate (continued)

Summarised financial information of material associates

	Revenue R'000	Profit before tax R'000	Tax R'000	Total comprehensive income R'000
2026				
Summarised statement of profit or loss and other comprehensive income				
Yangtze Optics Africa Proprietary Limited	476 038	100 544	(15 081)	85 463
Khauleza IT Solutions Proprietary Limited	78 461	13 659	(3 688)	9 971
Continuous Power Systems Proprietary Limited	39 830	2 427	(655)	1 772
	594 329	116 630	(19 424)	97 206

	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
2026						
Summarised statement of financial position						
Yangtze Optics Africa Proprietary Limited	214 579	298 212	-	141 030	371 761	93 312
Khauleza IT Solutions Proprietary Limited	10 615	26 449	3 848	8 263	24 953	8 983
Continuous Power Systems Proprietary Limited	40 094	23 339	7 749	21 402	34 283	13 713
	265 288	348 000	11 597	170 695	430 997	116 008

Notes to the Financial Statements

17. Investment in associate (continued)

	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)

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

Company – unlisted

	Note	Percentage holding	Cost			
		2026 %	2026 R'000	Derecognised R'000	Opening impairment R'000	2025 R'000
Khauleza IT Solutions Proprietary Limited	3	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	-	-	51 116

Group – unlisted

	Note	Percentage holding	Cost			
		2026 %	2026 R'000	Derecognised R'000	Opening impairment R'000	2025 R'000
Khauleza IT Solutions Proprietary Limited	3	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	-	-	51 116

Notes to the Financial Statements

Loans to					Net investment	
2026	Advanced /	Opening	Reversal of	2025	2026	2025
R'000	(repaid)	Impairment	Impairment	R'000	R'000	R'000
	R'000	R'000	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		
2026	Advanced	Opening	2025	2026	Current	Transfers to	2025	2026	2025
R'000	(repaid)/	impair-	R'000	R'000	year profits	non- current	R'000	R'000	R'000
	(written off)	ment			(losses)	asset held			
	R'000	R'000			R'000	for sale			
	R'000	R'000			R'000	R'000			
-	-	-	-	8 983	3 590	-	5 393	8 983	5 393
1 300	-	-	1 300	12 413	709	-	11 704	13 713	13 004
-	-	-	-	42 196	21 450	-	20 746	93 312	71 862
1 300	-	-	1 300	63 592	25 749	-	37 843	116 008	90 259

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.
3. Mustek acquired a 26% share in Khauleza in November 2009 and increased its holding to 36% effective 1 July 2012.

Additional information	Nature of business	Principle place of business	Period equity accounted
Khauleza IT Solutions Proprietary Limited	Provider of IT support solutions	South Africa	12 months (2025: 12 months)
Continuous Power Systems Proprietary Limited	Provider of uninterrupted power supply solutions	South Africa	12 months (2025: 12 months)
Yangtze Optics Africa Holdings Proprietary Limited	Fibre optics technology	South Africa	12 months (2025: 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 (2025: Rnil) for the Group and Rnil (2025: Rnil) for the company. The carrying amounts of the investments approximates the fair values.

The loans are measured, at initial recognition, at fair value plus transaction costs, if any. After initial recognition, these loans are measured at amortised cost using the effective interest method, net of ECL. Refer to note 16 for details on the group's exposure to credit risk, specifically relating to loans receivable from group companies.

The group or company considers significant influence over an entity to be present, when the group or company can exert significant influence over the executive decision making within the entity. This may be achieved by either a combination of the voting rights associated to the shareholding in the entity, or through significant influence over executive decision making by means of positions and relationships held.

Notes to the Financial Statements

18. Other loans

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 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	-	-	30 977	30 840
<i>Note 1 and 2</i>				
H Engelbrecht	9 688	9 839	-	-
<i>Note 1</i>				
CJ Coetzee	550	531	-	-
<i>Note 1</i>				
Subbienet Propriety Limited	4 708	4 672	4 708	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.				
	-	-	-	-
Concay Proprietary Limited	150	-	-	-
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.				
	-	-	-	-
	15 096	15 042	35 685	35 512

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.

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% (2025:1%) 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	Not applicable

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	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 – 2026						
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)	2 840	(2 840)	-
H Engelbrecht	Internal rating	Performing	12m ECL	9 786	(98)	9 688
CJ Coetzee	Internal rating	Performing	12m ECL	556	(6)	550
Subbienet Proprietary Limited	Internal rating	Performing	12m ECL	4 903	(195)	4 708
Concay Proprietary Limited	Internal rating	Performing	12m ECL	150	-	150
				19 235	(4 139)	15 096

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
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

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 – 2026						
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)	2 840	(2 840)	-
Mustek Executive Share Trust	Internal rating	Performing	12m ECL	31 288	(311)	30 977
Subbienet Proprietary Limited	Internal rating	Performing	12m ECL	4 903	(195)	4 708
				40 031	(4 346)	35 685

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

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	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Opening balance in accordance with IFRS 9	336	136	544	344
Reduction due to repayment of loans	(37)	(32)	(38)	(32)
Increase in loans	-	232	-	232
Closing balance	299	336	506	544

Notes to the Financial Statements

18. Other loans (continued)

Other loans: Loss allowance measured at lifetime ECL (credit impaired):

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Opening balance in accordance with IFRS 9	3 627	9 541	3 627	3 395
Loans written off	-	(6 146)	-	-
Increase in loans	237	282	237	282
Reduction due to repayment of loans	(24)	(50)	(24)	(50)
Closing balance	3 840	3 627	3 840	3 627

19. Inventories

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Trading inventory	1 809 257	1 698 794	1 117 987	1 030 206
Allowance for obsolescence	(119 300)	(78 609)	(78 715)	(49 223)
Trading inventory, net of allowance for obsolescence	1 689 957	1 620 185	1 039 272	980 983
Inventories in transit	108 561	129 480	53 025	71 598
Total inventories	1 798 518	1 749 665	1 092 297	1 052 581
Allowance for obsolescence reconciliation				
Opening balance	(78 609)	(83 156)	(49 223)	(52 310)
Current year (increase in allowance)/reversal of allowance	(76 078)	(6 530)	(40 206)	(7 300)
Amount written off/written down	35 387	11 077	10 714	10 387
	(119 300)	(78 609)	(78 715)	(49 223)

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 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 R6.3 billion (2025: R6.2 billion) and R4.1 billion (2025: R4.3 billion) for the group and company respectively. Costs relating to outward freight and delivery are included in cost of sales.

The total value of stock written down to net realisable value amounts to R86.9 million (2025: R46.8 million) and R26.2 million (2025: R46.2 million) for the group and company respectively. The portion of the write downs to net realisable value included in cost of sales amounted to R51.5 million (2025 : 35.8 million) and R15.6 million (2025: 35.8) for group and company respectively.

Notes to the Financial Statements

20. Trade and other receivables

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Financial instruments at amortised cost:				
Trade receivables	1 203 048	1 377 362	810 301	998 508
Loss allowance	(60 417)	(66 036)	(23 828)	(26 956)
Trade receivables at amortised cost	1 142 631	1 311 326	786 473	971 552
Dividend receivable		-	40 000	-
Other receivables	6 094	14 824	4 394	15 468
Non-financial instruments:				
VAT	60 315	16 820	50 931	14 429
Prepayments	59 935	93 000	32 952	49 118
Total trade and other receivables	1 268 975	1 435 970	914 750	1 050 567

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.

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 (net of value added tax). 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% (2025: 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 (2025: 30 and 60 days) from date of invoice. Generally, no interest is charged on trade receivables. Of the trade receivable balance at year-end, R91.7 million (2025: R188.4 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 Q1 2027 ranges from -2.08% to 2.91% with baseline at 1.59%. 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 – 2026			
Balance at the beginning of the year	18 763	47 273	66 036
Foreign exchange movements	-	(61)	(61)
Net amounts written off as uncollectable	-	(26 475)	(26 475)
Charged to profit or loss	(9 129)	30 046	20 917
Balance at the end of the year	9 634	50 783	60 417
	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
Company – 2026			
Balance at the beginning of the year	9 564	17 392	26 956
Net amounts written off as uncollectable	-	(14 959)	(14 959)
Charged to profit or loss	(3 050)	14 881	11 831
Balance at the end of the year	6 514	17 314	23 828
	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

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
Group – 2026									
0 – 30 days									
Lesotho	959	Sov rate & Empirical	B2	42.62	0.20	0.45	0.45	(4)	955
Malawi	47	Sov rate & Empirical	Caa1	43.97	0.20	0.94	0.94	(1)	46
Mozambique	54	Sov rate & Empirical	Caa2	43.97	0.20	1.34	1.34	(1)	53
Namibia	2 629	Sov rate & Empirical	Ba1	42.34	0.20	0.11	0.20	(5)	2 624
Eswatini	3 225	Sov rate & Empirical	Ba3	42.34	0.20	0.22	0.22	(7)	3 218
Zambia	107	Sov rate & Empirical	B3	42.62	0.20	0.64	0.64	(1)	106
Zimbabwe	924	Sov rate & Empirical	C	43.97	0.20	10 -100	10 -100	(456)	468
South Africa	532 913	Empirical - Note 1		3.50	0.20		0.20	(1 088)	531 825
Total	540 858							(1 563)	539 295
30 – 60 days									
Lesotho	616	Sov rate & Empirical	B2	42.62	0.33	0.45	0.45	(3)	613
Mozambique	136	Sov rate & Empirical	Caa2	43.97	0.33	1.34	1.34	(2)	134
Namibia	1 016	Sov rate & Empirical	Ba1	42.34	0.33	0.11	0.33	(3)	1 013
Eswatini	653	Sov rate & Empirical	Ba3	42.34	0.33	0.22	0.33	(2)	651
Zimbabwe	1	Sov rate & Empirical	C	43.97	0.33	10 -100	10 -100	(1)	-
South Africa	241 910	Empirical - Note 1		3.50	0.33		0.33	(809)	241 101
Total	244 332							(820)	243 512

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
Mozambique	1	Sov rate & Empirical	Caa2	43.97	1.25	1.34	1.34	(0)	1
Namibia	2	Sov rate & Empirical	Ba1	42.34	1.25	0.11	1.25	(0)	2
Eswatini	93	Sov rate & Empirical	Ba3	42.34	1.25	0.22	1.25	(1)	92
South Africa	49 582	Empirical - Note 1		3.50	1.25		1.25	(620)	48 962
Total	49 678							(621)	49 057

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
90+ days									
Mozambique	51	> Sov rate & Empirical	Caa2	43.97	3.99	1.34	3.99	(2)	49
Namibia	107	> Sov rate & Empirical	Ba1	42.34	3.99	0.11	3.99	(4)	103
Eswatini	33	> Sov rate & Empirical	Ba3	42.34	3.99	0.22	3.99	(1)	32
Zimbabwe	11	> Sov rate & Empirical	C	43.97	3.99	10 -100	10 -100	(11)	-
South Africa	165 662	Empirical - Note 1		3.50	3.99		3.99	(6 612)	159 050
Total	165 864							(6 630)	159 234
Total Group ECL								(9 634)	

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 adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	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 adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2025	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	-	1
Lesotho	69	Sovereign rate and empirical	B2	43.6	4.73	1.20	4.73	(3)	66
Mozambique	219	Sovereign rate and empirical	Caa1	44.9	4.73	3.90	4.73	(10)	209
Namibia	97	Sovereign rate and empirical	Ba1	43.3	4.73	0.28	4.73	(5)	92
Eswatini	16	Sovereign rate and empirical	Ba3	43.3	4.73	0.57	4.73	(1)	15
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)	176 525
Total	185 691							(8 769)	176 908
Total Group ECL								(18 763)	

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
Company – 2026									
0 – 30 days									
Lesotho	377	Sov rate & Empirical	B2	42.62	0.20	0.45	0.45	(2)	375
Namibia	1 321	Sov rate & Empirical	Ba1	42.34	0.20	0.11	0.20	(3)	1 318
Eswatini	2 285	Sov rate & Empirical	Ba3	42.34	0.20	0.22	0.22	(5)	2 280
Zambia	74	Sov rate & Empirical	B3	42.62	0.20	0.64	0.64	-	74
Zimbabwe	520	Sov rate & Empirical	C	43.97	0.20	10.00	10.00	(52)	468
South Africa	356 282	Empirical - Note 1		3.50	0.20		0.20	(728)	355 554
Total	360 859							(790)	360 069
30 – 60 days									
Lesotho	222	Sov rate & Empirical	B2	42.62	0.33	0.45	0.45	-	222
Namibia	351	Sov rate & Empirical	Ba1	42.34	0.33	0.11	0.33	(1)	350
Eswatini	164	Sov rate & Empirical	Ba3	42.34	0.33	0.22	0.33	(1)	163
South Africa	145 815	Empirical - Note 1		3.50	0.33		0.33	(488)	145 327
Total	146 552							(490)	146 062

Notes to the Financial Statements

20. Trade and other receivables (continued)

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
60 – 90 days									
South Africa	24 355	Empirical - Note 1		3.50	1.25		1.25	(367)	23 988
Total	24 355							(367)	23 988

	Indicative amount at 30 June 2026	Measurement approach	Sovereign rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount	Indicative net balance ZAR
90+ days									
South Africa	121 686	Empirical - Note 1		3.50	3.99		3.99	(4 856)	116 830
Total	121 686							(4 856)	116 830

Intercompany balances

	Indicative amount at 30 June 2026	Measurement approach	Proba- bility of default rating	Loss given default %	ECL % prior to adjust- ment for sovereign risk	ECL % on sovereign	ECL % at 30 June 2026	Indicative ECL amount ZAR	Indicative net balance ZAR
Rectron	1 982	PD and LGD - RiskCalc	1.28	53.51	0.19	-	0.19	(4)	1 978
Mustek East Africa	754	PD and LGD - RiskCalc	6.44	54.30	0.88	0.32	0.88	(7)	747
Total	2 736							(11)	2 725
Total Company ECL								(6 514)	

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 adjust- ment 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 adjust- ment 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 adjust- ment 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	Proba- bility of default rating	Loss given default %	ECL % prior to adjust- ment 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)

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	
		Indicative amount at 30 June 2026 R000	Indicative ECL amount R000	Indicative amount at 30 June 2026 R000	Indicative ECL amount R000
ECL %					
2026					
Category 1	1% - 20%	113 472	10 311	59 112	2 102
Category 2	20% – 80%	46 510	11 433	828	373
Category 3	80% – 100%	32 437	29 039	15 049	14 839
		192 419	50 783	74 989	17 314

Individually assessed debtors:

		Group		Company	
		Indicative amount at 30 June 2025 R000	Indicative ECL amount R000	Indicative amount at 30 June 2025 R000	Indicative ECL amount R000
ECL %					
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

Category 1 - debtors included in this category are impaired at 20% (2025: 20%) as a result of credit insurance being held for the remaining 80% (2025: 80%) of the debt.

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% (2025: 20% and 80%).

Category 3 - debtors impaired at 80% - 100% are based on the probability that the debtor will be fully delinquent and low or no recoverability exists for this debt.

Notes to the Financial Statements

20. Trade and other receivables (continued)

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 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 R323 million (2025: 296 million) and R123 million (2025: R296 million) respectively.

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 Ba2.

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Bank balances and cash	206 248	225 675	55 177	64 078

Notes to the Financial Statements

22. Cash generated from operations

	Note	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Profit before taxation		142 179	46 825	198 541	17 215
Adjustments for non-cash items:					
Depreciation, amortisation	6	64 999	69 054	54 018	56 394
Losses (profits) on disposals and scrappings of property, plant and equipment and intangibles	11	494	589	60	258
Gain on termination of lease		(2 845)	-	(2 845)	-
Unrealised foreign exchange (gains) losses	6	(16 056)	(22 344)	(429)	(7 827)
Profit on equity - accounted investment	17	(25 749)	(6 316)	-	-
Allowance for obsolescence of inventory and inventory written off	19	127 539	(4 547)	55 782	(3 087)
Impairment of investment in subsidiary	16		-	6 583	12 898
Realisation of FCTR on deregistration of foreign subsidiary	9	2 772	-	-	-
Share-based payment expense	32	3 674	8 217	3 247	7 141
Movement in expected credit losses on trade receivables	20	20 917	24 007	11 831	9 507
Write off of other loans		118	-	118	-
Reversal of expected credit loss of loans to subsidiaries	16	-	-	(46)	(4 868)
Fair value adjustments of FEC's	27	131	14 286	1 263	5 107
Expected credit losses of other loans	18	199	482	199	482
Interest income	7	(8 907)	(15 579)	(4 864)	(7 731)
Dividends received	7		-	(133 302)	(41 736)
Finance costs	8	101 750	154 109	70 780	106 400
Changes in working capital:					
Inventories	19	(176 392)	607 283	(95 497)	451 912
Trade and other receivables	20	146 076	95 102	163 620	84 462
Trade and other payables	26	(265 540)	(257 102)	(272 579)	(55 456)
Contract assets	5	(5 537)	(6 312)	(8 706)	3 140
Contract liabilities	5	6 025	(20 378)	5 548	(16 482)
		115 847	687 376	53 322	617 729

Notes to the Financial Statements

23. Share capital and earnings per share

	Group		Company	
	2026	2025	2026	2025
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% (2025: 60% : 40%). The current debt-to-equity ratio is 54% : 46% (2025: 59% : 41%)

Earnings per share

Basic earnings per share

Basic earnings per share is based on earnings of R107.6 million (2025: R38.8 million) and weighted average number of ordinary shares of 54.1 million (2025: 54.1 million). The net asset value per share is 3 053.22 cents (2025: 2869.71 cents).

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

	Group	
	2026 R'000	2025 R'000
Basic earnings per share		
From operations (c per share)	198.79	71.71
Diluted earnings per share		
From operations (c per share)	198.79	71.71
Headline earnings per share		
Headline earnings per share (c)	204.58	72.73
Diluted headline earnings per share (c)	204.58	72.73
Weighted average number of ordinary shares	54 131 857	54 131 857

Notes to the Financial Statements

23. Share capital and earnings per share (continued)

Share capital and earnings per share continued

		2026		2025	
	Note	Gross R'000	Net R'000	Gross R'000	Net R'000
Reconciliation between profit (loss) attributable to equity holders of the parent and headline earnings (loss) – Group					
Profit for the year attributable to equity holders of the parent			107 609	-	38 820
Basic earnings			107 609		38 820
Adjusted for:					
Group's share of (loss) profit on disposal scrapping/recoupment of property, plant and equipment and intangible assets.	6	494	364	589	430
Loss on realisation of FCTR on deregistration of foreign subsidiary	9	2 772	2 772	-	-
Remeasurement items included in associate equity-accounted earnings					
Group's share of loss (profit) on sale of property, plant and equipment				162	118
Headline earnings			110 745		39 368
Dividends per share Final (c)		13.75		7.50	-

The final dividend of 37.5 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

		Group		Company	
	Note	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Held at amortised cost					
Secured					
Mortgage bond		48 393	30 197	-	-
Bank overdrafts		-	-	-	
Unsecured					
Bank overdrafts		-	5 722	-	4 682
Loan from subsidiary	16		-	48 393	30 197
Total interest – bearing borrowings		48 393	35 919	48 393	34 879
Interest-free					
Unsecured					
Share-based payment liabilities – non-financial liability	32	9 059	5 385	8 049	4 802
Loans from subsidiaries – financial liabilities	16	-	-	5 107	66 006
Foreign currency liabilities	27	3 492	15 021	2 026	5 675
Total interest-free borrowings		12 551	20 406	15 182	76 483
Split between non-current and current portions					
Non-current liabilities					
		49 038	1 884	48 341	1 884
Mortgage bond		46 288	-	-	-
Loans from subsidiaries		-	-	46 288	-
Non - current portion of share-based payment		2 750	1 884	2 053	1 884
Current liabilities		11 906	54 441	15 234	109 478
Bank overdrafts		-	5 722	-	4 682
Mortgage bond		2 105	30 197	-	-
Short-term portion of share-based payment liability	26	6 309	3 501	5 996	2 918
Foreign currency liabilities		3 492	15 021	2 026	5 675
Loans from subsidiaries	16	-	-	7 212	96 203
Total borrowings		60 944	56 325	63 575	111 362
Trade and other payables	26	1 965 886	2 239 140	1 179 954	1 462 993
		2 026 830	2 295 465	1 243 529	1 574 355

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

Additional information

Included in borrowings are the following significant facilities and overdrafts with the following terms:

Group

Facility Type	Facilities value R'000	Secured/ Unsecured	Security	Interest rate/ Benchmark rate applicable
Trade finance facilities (renewed annually)	1 545 538	Secured	- secured by property with a carrying amount of R59.5 million (refer to note 11) - secured over Mustek Limited's trade receivables. - secured over 80% of the eligible trade receivables in Rectron Proprietary Limited	- SARB policy rate - SOFR - South African prime rate - Fixed rate of 9.5%
Mortgage bond (5 year term ending August 2030)	50 000	Secured	secured by property with a carrying amount of R64.3 million. (refer to note 11)	JIBAR
Trade finance facilities (renewed annually)	250 000	Unsecured	n/a	- South African prime rate - SOFR
Overdraft facilities (renewed annually)	50 000	Unsecured	n/a	South African prime rate

Company

Facility Type	Facilities value R'000	Secured/ Unsecured	Security	Interest rate/ Benchmark rate applicable
Trade finance facilities (renewed annually)	1 095 038	Secured	secured over Mustek Limited's trade receivables.	- SOFR - South African prime rate
Trade finance facilities (renewed annually)	100 000	Unsecured	n/a	South African prime rate
Overdraft facilities (renewed annually)	50 000	Unsecured	n/a	South African prime rate

Subsequent to year-end, on 21 July 2026, the conditions precedent to a new Absa-led syndicated trade finance facilities of R1.1 billion (with Absa as Mandated Lead Arranger and Facility Agent and RMB as co-lender) were fulfilled and Financial Close was reached. The Facilities replace the Company's prior trade finance facilities. In addition, the Company opted not to renew the overdraft facility subsequent to year end.

Subsequent to year end, the benchmark rate of the mortgage bond is expected to change to the South African Rand overnight index average (ZARONIA) due to the discontinuation of the JIBAR by 31 December 2026.

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 and Company complied with all loan covenant requirements as at 30 June 2026. Other than the facilities mentioned above all other facilities are unsecured.

Refer to note 25 for details of the movement in the borrowings during the reporting period.

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

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.

	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 2026					
Non-interest-bearing	1 140 885	-	3 492	9 059	1 153 436
Variable interest rate instruments	756 279	48 393	-	-	804 672
Fixed interest rate instruments	68 722	-	-	-	68 722
	1 965 886	48 393	3 492	9 059	2 026 830

	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	Loan from subsidiaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	Total R'000
Company 2026						
Non-interest-bearing	704 313	-	5 107	2 026	8 049	719 495
Variable interest rate instruments	475 641	-	48 393	-	-	524 034
	1 179 954	-	53 500	2 026	8 049	1 243 529

	Trade and other payables (note 26) R'000	Borrowings and overdrafts R'000	Loan from subsidiaries R'000	Foreign currency liabilities R'000	Share based payment liabilities R'000	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

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

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 R1.9 billion (2025: R2.3 billion) and R1.25 billion (2025: R1.3 billion) respectively:

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
General overdraft and similar facilities	1 910 916	2 263 200	1 250 038	1 264 907
Utilised facilities	(873 394)	(1 203 712)	(475 641)	(796 250)
Unutilised facilities	1 037 522	1 059 488	774 397	468 657

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	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Financial liabilities				
Trade finance facilities linked to SOFR	427 636	587 640	295 009	319 040
Trade finance facilities linked to JIBAR*	-	149 999	-	99 999
Overdrafts and trade finance linked to South African prime rates	180 632	467 074	180 632	407 409
Trade finance linked to SARB policy rate	148 011	-	-	-
Loan from subsidiaries linked to JIBAR*	-	-	48 393	-
Mortgage bond linked to JIBAR*	48 393	-	-	-
Trade finance and bank borrowings linked to fixed rates	68 722	-	-	-
	873 394	1 204 713	524 034	826 448
Financial assets				
Loans granted at fixed rates of interest	-	-	50 417	54 144
Bank balances and loans linked to South African prime rates	148 106	48 427	59 044	34 928
Bank balances - minimal variable interest	29 956	173 462	5 237	31 777
Bank balances linked to Kenyan prime rates	5 881	3 397	-	-
Bank balances linked to other foreign prime rates	22 305	389	-	-
	206 248	225 675	114 698	120 849

Notes to the Financial Statements

24. Borrowings and other liabilities (continued)

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. Subsequent to year end, the benchmark rate of the mortgage bond is expected to change to the South African Rand overnight index average (ZARONIA) due to the discontinuation of the JIBAR by 31 December 2026.

	2026 Increase	2026 Decrease	2025 Increase	2025 Decrease
Group				
Increase or decrease in rate				
Impact on profit or loss:				
JIBAR 1% (2025: 1%)	(484)	484	(1500)	1 500
South African Prime 1% (2025: 1%)	(325)	325	(5 155)	5 155
SOFR 1% (2025: 2%)	(4 276)	4 276	(5 876)	5 876
SARB policy rate 1%	(1 480)	1 480		
Other 1% (2025: 1%)	581	(581)	(1 772)	1 772
	(5 984)	5 984	(14 303)	14 303
Company				
Increase or decrease in rate				
Impact on profit or loss:				
JIBAR 1% (2025: 1%)	(484)	484	(1 000)	1 000
South African Prime 1% (2025: 1%)	(1 216)	1 216	(4 074)	4 074
SOFR 1% (2025: 2%)	(2 950)	2 950	(3 190)	3 190
	(4 650)	4 650	(8 264)	8 264

25. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2026

	Opening balance R'000	Total accrued interest R'000	Foreign currency R'000	New leases / modifications R'000	Lease terminations R'000	Other non - cash movements R'000
Group – 2026						
Mortgage bond	30 197	4 328	-	-	-	44
Lease liabilities	91 080	8 325	51	8 567	(11 750)	-
Bank overdrafts	5 722	-	-	-	-	-
Total liabilities from financing activities	126 999	12 653	51	8 567	(11 750)	44

Notes to the Financial Statements

25. Changes in liabilities arising from financing activities (continued)

	Total non-cash movements R'000	Additional loan/ Cash flows inflows R'000	Interest payments R'000	Cash outflows R'000	Closing balance R'000
Group – 2026					
Mortgage bond	34 569	19 553	(4 328)	(1 402)	48 392
Lease liabilities	5 193	-	(8 325)	(26 609)	61 339
Bank overdrafts	-	-	-	(5 722)	-
Total liabilities from financing activities	39 762	19 553	(12 653)	(33 733)	109 731

	Opening balance R'000	Accrued interest R'000	Foreign exchange movements R'000	New leases/ modifications R'000	Total non-cash movements 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

Reconciliation of liabilities arising from financing activities - Company - 2025

	Opening balance R000	Accrued Interest R000	New leases / modifications R000	Non-cash dividend and other R000	lease terminations R000
Company – 2026					
Lease liabilities	99 719	8 954	10 084	-	(11 728)
Loans from subsidiaries	96 203	4 328	-	(59 006)	-
Bank overdraft	4 682	-	-	-	-
Total liabilities from financing activities	200 604	13 282	10 084	(59 006)	(11 728)

	Total non-cash movements R000	Cash flows inflows R000	Interest payments R000	Cash outflows R000	Closing balance R000
Company – 2026					
Lease liabilities	7 310	-	(8 954)	(29 009)	69 066
Loans from subsidiaries	(54 678)	19 553	-	(7 578)	53 500
Bank overdraft	-	-	-	(4 682)	-
Total liabilities from financing activities	(47 368)	19 553	(8 954)	(41 269)	122 566

Notes to the Financial Statements

25. Changes in liabilities arising from financing activities (continued)

	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

26. Trade and other payables

	Note	Group	Company		
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Financial instruments at amortised cost:					
Trade payables		1 104 059	1 040 500	701 224	668 320
Trade finance payables		825 001	1 167 893	475 641	791 669
Other payables		24 851	21 369	257	275
Accruals		11 975	9 378	2 832	2 729
		1 965 886	2 239 140	1 179 954	1 462 993
Non-financial instruments:					
Short-term share-based payment liability	24, 32	6 309	3 501	5 996	2 918
VAT payable		489	1 991	-	-
Employee benefit accruals		63 398	43 247	41 527	26 458
		2 036 082	2 287 879	1 227 477	1 492 369

The maximum facility available, including bank overdrafts is R1.9 billion (2025: R2.3 billion) and R1.25 billion (2025: R1.3 billion) for the group and company respectively. For majority of the available facilities interest is calculated at either a variable rate linked to prime, JIBAR, SARB policy rate or SOFR (2025: 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. (refer to note 24)

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 109 days (2025: 132 days).

Notes to the Financial Statements

26. Trade and other payables (continued)

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.

27. Financial instruments and risk management

Categories of financial assets

Group - 2026	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Other loans	18	-	15 096	15 096
Trade and other receivables	20	-	1 148 725	1 148 725
Foreign currency asset		3 361	-	3 361
Cash and cash equivalents	21	-	206 248	206 248
		3 361	1 370 069	1 373 430

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

Company - 2026	Note(s)	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000
Loans to subsidiaries	16	-	49 900	49 900
Other loans	18	-	35 685	35 685
Trade and other receivables	20	-	830 867	830 867
Foreign currency asset		763	-	763
Cash and cash equivalents	21	-	55 177	55 177
		763	971 629	972 392

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

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

Categories of financial liabilities

Group - 2026	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	-	1 965 886	-	1 965 886
Borrowings	24	-	48 393	-	48 393
Foreign currency liabilities		3 492	-	-	3 492
Lease liabilities	13	-	-	61 339	61 339
		3 492	2 014 279	61 339	2 079 110

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

Company - 2026	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	-	1 179 954	-	1 179 954
Loans from subsidiaries	16	-	53 500	-	53 500
Foreign currency liabilities		2 026	-	-	2 026
Lease liabilities	13	-	-	69 066	69 066
		2 026	1 233 454	69 066	1 304 546

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

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

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		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Other loans	18	19 235	(4 139)	15 096	19 005	(3 963)	15 042
Trade and other receivables	20	1 209 142	(60 417)	1 148 725	1 392 186	(66 036)	1 326 150
Foreign currency asset		3 361	-	3 361	734	-	734
Cash and cash equivalents	21	206 248	-	206 248	225 675	-	225 675
		1 437 986	(64 556)	1 373 430	1 637 600	(69 999)	1 567 601

Company		2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to subsidiaries	16	101 943	(52 043)	49 900	112 024	(52 089)	59 935
Other loans	18	40 031	(4 346)	35 685	39 683	(4 171)	35 512
Trade and other receivables	20	854 695	(23 828)	830 867	1 013 976	(26 956)	987 020
Foreign currency asset		763	-	763	568	-	568
Cash and cash equivalents	21	55 177	-	55 177	64 078	-	64 078
		1 052 609	(80 217)	972 392	1 230 329	(83 216)	1 147 113

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2026	Note	Within 6 months	Within 6 to 12 months	Within 12 to 24 months	Within 24 to 60 months	Total	Carrying amount
Non-current liabilities							
Mortgage bond	24	-	-	6 942	52 095	59 037	46 288
Current liabilities							
Trade and other payables*	26	1 988 802	-	-	-	1 988 802	1 965 886
Mortgage bond	24	3 279	3 332	-	-	6 611	2 105
Foreign currency liabilities		3 492	-	-	-	3 492	3 492
		1 995 573	3 332	6 942	52 095	2 057 942	2 017 771

Group - 2025	Note	Within 6 months	Total	Carrying amount
Current liabilities				
Trade and other payables*	26	2 266 319	2 266 319	2 239 140
Borrowings	24	30 908	30 908	30 197
Foreign currency liabilities	27	15 021	15 021	15 021
Bank overdraft *	21	5 764	5 764	5 722
		2 318 012	2 318 012	2 290 080

* on demand

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Company - 2026	Note	Within 6 months	Within 6 to 12 months	Within 12 to 24 months	Within 24 to 60 months	Total	Carrying amount
Non-current liabilities							
Loans from subsidiaries		-	-	6 942	52 095	59 037	46 288
Current liabilities							
Trade and other payables*	26	1 199 984	-	-	-	1 199 985	1 179 954
Loans from subsidiaries*	16	5 107	-	-	-	5 107	5 107
Loans from subsidiaries	16	3 279	3 332	-	-	6 611	2 105
Foreign currency liabilities	27	2 026	-	-	-	2 026	2 026
		1 210 396	3 332	6 942	52 095	1 272 765	1 235 480

Company - 2025	Note	Within 6 months	Total	Carrying amount
Current liabilities				
Trade and other payables*	26	1 485 396	1 485 396	1 462 993
Loans from subsidiaries*	16	66 006	66 006	-
Loans from subsidiaries	16	30 908	30 908	96 203
Foreign currency liabilities	27	5 675	5 675	5 675
Bank overdraft *	21	4 724	4 724	4 682
		1 592 709	1 592 709	1 569 553

* on demand

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	
	Note	2026 R'000	2025 R'000	2026 R'000	2025 R'000
US Dollar exposure					
Non-current assets					
Loans to subsidiaries	16	-	-	50 417	54 144
Current assets					
Trade and other receivables	20	64 270	178 800	13 699	115 686
Cash and cash equivalents	21	27 556	49 599	5 237	31 712
Current liabilities					
Trade and other payables	26	(736 077)	(1 292 198)	(303 697)	(665 601)
Net US Dollar exposure		(644 251)	(1 063 799)	(234 344)	(464 059)
Euro exposure					
Current assets					
Trade and other receivables	20	-	13	-	13
Cash and cash equivalents	21	3	2	-	-
Current liabilities					
Trade and other payables	26	(119)	(5 733)	(119)	(5 733)
Net Euro exposure		(116)	(5 718)	(119)	(5 720)
Other currency exposure					
Current assets					
Trade and other receivables	20	33 632	21 632	-	-
Cash and cash equivalents	21	28 182	3 783	-	-
Current liabilities					
Trade and other payables	26	(95 337)	(17 894)	(65 456)	(1 931)
Net other currency exposure		(33 523)	7 521	(65 456)	(1 931)
Net exposure to foreign currency in Rand		(677 890)	(1 061 996)	(299 919)	(471 710)

* Other currencies include Australian Dollar, British Pound, Taiwanese Dollar and Kenyan Shillings (2025: 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 – 2026				
Buy				
US Dollars – less than three months	16.45	41 498	682 506	(43)
US Dollars – three to six months	18.78	2 568	48 216	(88)
			730 722	(131)
Foreign currency assets	-	-	-	3 361
Foreign currency liabilities	-	-	-	(3 492)
	-	-	-	(131)

	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)

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 – 2026				
Buy				
US Dollars – less than three months	16.43	27 798	456 808	(1 175)
US Dollars – three to six months	18.78	2 568	48 216	(88)
			505 024	(1 263)
Foreign currency assets	-	-	-	763
Foreign currency liabilities	-	-	-	(2 026)
				(1 263)

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 – 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)

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	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
US Dollar	16.91	18.16	16.39	17.77
Euro	19.72	19.76	18.68	20.83

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.

	2026 R'000	2026 R'000	2025 R'000	2025 R'000
Group				
Increase or decrease in rate	Increase	Increase	Increase	Decrease
Impact on profit or loss:	Decrease	Decrease	Decrease	Increase
US Dollar 10% (2025: 10%)	(64 425)	64 425	(106 380)	106 380
Euro 10% (2025: 10%)	(12)	12	(572)	572
Other 10%	(3 352)	3 352		
	(67 789)	67 789	(106 952)	106 952
Company				
Increase or decrease in rate	Increase	Increase	Increase	Decrease
Impact on profit or loss:	Decrease	Decrease	Decrease	Increase
US Dollar 10% (2025: 10%)	(23 434)	23 434	(46 406)	46 406
Euro 10% (2025: 10%)	(12)	12	(572)	572
Other 10%	(6 546)	6 546		
	(29 992)	29 992	(46 978)	46 978

Notes to the Financial Statements

28. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value.

Levels of fair value measurements	Note	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Level 2					
Recurring fair value measurements					
Assets					
Fair value through profit or loss					
Forward exchange contracts	27	3 361	734	763	568
Liabilities					
Fair value through profit or loss					
Forward exchange contracts	27	3 492	15 021	2 026	5 675
Total		(131)	(14 287)	(1 263)	(5 107)

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 R33.9 million and R35.3 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 2026 the group had 1 009 permanent employees (2025: 1 112) and the company 589 (2025: 613) . Employee benefits expense is made up of the following for all employees, including executive directors:

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Employee costs				
Employee salaries and wages	488 496	486 041	280 839	281 499
Share based payment	3 674	8 218	3 247	7 141
Pension contributions (defined contribution plan)	1 495	1 898	-	-
Learnerships	7 233	5 717	3 043	4 134
Temporary staff	8 007	8 468	6 050	7 086
	508 905	510 342	293 179	299 860

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	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Total employee costs				
Direct employee costs included in cost of sales	42 584	31 296	16 853	17 793
Indirect employee costs included in operating expenses	466 321	479 046	276 326	282 067
	508 905	510 342	293 179	299 860

30. Guarantees and contingent liabilities

Limited guarantees

- Standby letter of credit issued by Investec in favour of Intel Corporation UK LTD for USD 400 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.

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
2026			
Related party			
Brotek Proprietary Limited	Loan	(4 328)	(53 500)
	Rent	(8 165)	-
	Cost recoveries	573	-
	Dividends	59 436	-
Cyberantix Proprietary Limited	Sales	220	4
	Purchases	(294)	(176)
	Loan	1 081	6 264
	Cost recoveries	19	-
Mecer Inter-Ed Proprietary Limited	Sales	234	99
	Purchases	(2 621)	(641)
	Rent	2 476	-
	Cost recoveries	1 233	-
	Dividends	10 000	10 000
Mecer Technology Limited	Management fee	(8 098)	(658)
	Other costs	(65)	(7)
	Dividends	3 866	-
Mustek East Africa Limited (Note 2)	Sales	1 779	753
	Loan	1 029	50 417
Rectron Proprietary Limited (Note 1)	Sales	48 905	2 280
	Purchases	(150 915)	(12 355)
	Other costs	(1 899)	(196)
	Cost recoveries	2 181	-
	Loan	-	-
Business AI Proprietary Limited	Sales	787	79
	Purchases	(33)	(3)
Rectron Holdings Limited	Dividends	60 000	30 000

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)

Associates - Group and Company	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2026			
Related party			
Continuous Power Systems Proprietary Limited (Note 1)	Sales	192	4
	Purchases	(12 626)	(551)
	Cost recoveries	433	-
	Loan	-	1 300
Khauleza IT Solutions Proprietary Limited	Sales	1 700	21
	Purchases	(1 407)	(349)
	Rent	151	-
Yangtze Optics Africa Holdings Proprietary Limited	Sales	94	2
	Purchases	-	-

Note 1: Refer to note 17 for details of the loan owing by Continuous Power Systems Proprietary Limited.

Other related parties – company	Type of transaction	Amount of transaction (paid) received R000	Amount (payable) receivable R000
2026			
Related party			
Mustek Executive Share Trust	Loan		31 288
	Dividend	(469)	

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			
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	-
	Sales	2 053	922
Mustek East Africa Limited (Note 2)	Loan	1 109	54 144
	Sales	48 135	4 485
Rectron Proprietary Limited (Note 1)	Purchases	(137 779)	(21 270)
	Other costs	(1 332)	(170)
	Cost recoveries	2 938	437
	Loan	-	(7 579)
	Dividends	15 272	-
Zatophase Proprietary Limited	Dividends	8 975	-
Quickstep 94 Proprietary Limited	Dividends	-	-

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)

Associates - Group and Company	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	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)	-

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	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Short-term employee benefits	67 609	54 513	46 252	39 024
Share appreciation rights (benefit) expense	3 674	8 217	3 247	7 141
	71 283	62 730	49 499	46 165

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:

	2026 R'000	2025 R'000
Total directors' emoluments		
Executive	19 133	16 875
Non-executive	2 335	2 625
	21 468	19 500

Executive 2026

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 R'000	Total R'000
Services as director						
H Engelbrecht	6 037	1 261	270	774	-	8 342
CJ Coetzee	4 160	1 924	96	43	-	6 223
S Aboo Baker Ebrahim	3 807	761	-	-	-	4 568
	14 004	3 946	366	817	-	19 133

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 R'000	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

Non-executive 2026

Directors' emoluments	Fees for services as director R000	Total R000
I Mophatlane	634	634
RB Patmore	582	582
S Thomas	629	629
PM Marlowe	490	490
	2 335	2 335

Notes to the Financial Statements

32. Directors' emoluments and share-based payments (continued)

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

Outstanding non-executive director fees of R0.6 million (2025: R1.4 million) are included in trade and other payables.

Directors' shareholding

At 30 June 2026, the directors in office at year end collectively held the following direct and indirect interests in shares in the company, which represents 4.9% (2025: 4.9%) of the issued share capital of the company. (No change occurred between 30 June 2026 and 30 September 2026):

	Direct		Beneficial		Indirect
	2026	2025	2026	2025	
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 (2025: 496 666) shares held through contracts for difference.

Mustek's executive directors, Hein Engelbrecht, Neels Coetzee and Shabana Aboo Baker Ebrahim, entered into a consortium agreement ("the agreement") with Novus Holdings ("Novus") on 13 November 2024. The agreement, subject to terms and condition, gives the executives an option to acquire, through a ring-fenced Manco structure, 25% of the Mustek shares to be acquired by Novus as part of the mandatory offer process (to a maximum of 3 million shares) at the same price that Novus acquires such shares. At the date of this report, the suspensive conditions of the agreement have not been fulfilled. Neither the Manco, nor any of the executive directors have acquired any Mustek shares in terms of the agreement.

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 R9.06 million (2025: R5.4 million) and R8.05 million (2025: R4.8 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	
	2026	2025	2026	2025
Phantom shares outstanding at the beginning of the year	14.42	14.69	4 215 424	4 742 490
Phantom shares granted during the year	13.16	9.23	2 003 738	3 169 929
Phantom shares exercised during the year	-	10.17	-	(1 285 852)
Phantom shares that lapsed during the year	15.64	11.17	(1 093 700)	(2 411 143)
Phantom shares outstanding at year-end	13.67	14.42	5 125 463	4 215 424

A total of 2 003 738 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 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 2026	30 June 2025
Share price	13.16	14.10
Grant price	16.77/9.23/13.16	R15.64 / R16.77 / R9.23
Fair value	1.14/6.96/5.49	R1.14 / R2.25 / R6.56
Expected volatility	43.00%/42.25%/42.00%	44.00% / 42.00% / 40.00%
Expected life	0 years/1 years/2years	0 years / 1 year / 2 years
Risk-free rate	7.34%/7.39%/7.36%	7.36% / 7.25% / 7.15%
Expected dividend yield	1.00%/1.00%/1.00%	0.50% / 1.00% / 1.00%

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 R3.7 million and R3.2 million respectively 2025: R8.2 million and R7.1 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	2027	2028	2029	Number of undelivered	Total rand value
16.77	1 972 890	-	-	1 972 890	33 085 365
9.23	-	1 148 834	-	1 148 834	10 603 738
13.16	-	-	2 003 738	2 003 738	26 378 276
	1 972 890	1 148 834	2 003 738	5 125 462	70 067 379

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 2026

Grant date	Grant price	S Aboo Baker Ebrahim	H Engelbrecht	CJ Coetzee	Total
14 September 2023	R16.77	262 025	308 264	262 025	832 314
18 September 2024	R9.23	361 670	425 494	361 670	1 148 834
16 September 2025	R13.16	227 090	267 165	227 090	721 345
		850 785	1 000 923	850 785	2 702 493

Reconciliation of outstanding director phantom shares	Strike price/ exercise price	Date awarded	S Aboo Baker Ebrahim	H Engelbrecht	CJ Coetzee	Total
Opening balance			749 201	913 052	776 095	2 438 348
Phantom shares granted	13.16	16 Sept 2025	227 090	267 165	227 090	721 345
Phantom shares lapsed	15.64		(125 506)	(179 294)	(152 400)	(457 200)
Phantom shares outstanding at year-end	-	-	850 785	1 000 923	850 785	2 702 493

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.

Looking ahead, management is confident that the Group and company will continue to meet its financial obligations in full and on time. The Group's continued execution of its strategic priorities, specifically working capital and borrowings management over the past two years has led to a reduction in borrowings year on 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 R1.04 billion (refer note 24) as well as R206 million in cash and cash equivalents as at 30 June 2026;
- As at 30 June 2026, the group had R 1 228 million in net working capital, no significant capital commitments and lease commitments of R31 million due within one year.

The Group complied with all loan covenant requirements as at 30 June 2026 and is forecasting covenant compliance at 30 June 2027.

Notes to the Financial Statements

34. Tax paid

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Balance at beginning of the year	2 990	(1 936)	6 529	3 401
Current tax recognised in profit or loss	(11 831)	(8 993)	(4 014)	-
Acquisition of subsidiary (note 37)	-	(944)	-	-
Balance at end of the year	(7 484)	(2 990)	(2 577)	(6 529)
	(16 325)	(14 863)	(62)	(3 128)

35. Events after the reporting period

- Subsequent to year-end, on 21 July 2026, the conditions precedent to the new Absa-led syndicated trade finance facilities of R1.1 billion (with Absa as Mandated Lead Arranger and Facility Agent and RMB as co-lender) were fulfilled and Financial Close was reached. The Facilities replace the Company's trade finance facilities at year end noted in note 24. This is a non-adjusting event after the reporting period; no adjustment has been made to the amounts recognised at 30 June 2026.
- Subsequent to year end, the Company opted not to accept the renewal of the overdraft facility noted in note 24.
- Subsequent to the year end, the Board resolved to change Mustek's financial year end from 30 June to 31 March, in order to align the Group's reporting cycle with that of its majority shareholder, Novus Holdings Limited. The change has been effected in accordance with section 27 of the Companies Act 71 of 2008, as amended. FY2027 will therefore be a shortened, nine-month transitional period ending 31 March 2027, after which Mustek's financial year will end on 31 March annually.
- Novus Holdings continued to increase its holding after year end. On 25 September 2026, in accordance with section 122 of the Companies Act 71 of 2008 and paragraph 6.54 of the JSE Listings Requirements, Novus advised the Company that its beneficial interest had risen to 57.63% of the Company's total issued share capital.

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 financial statements.