

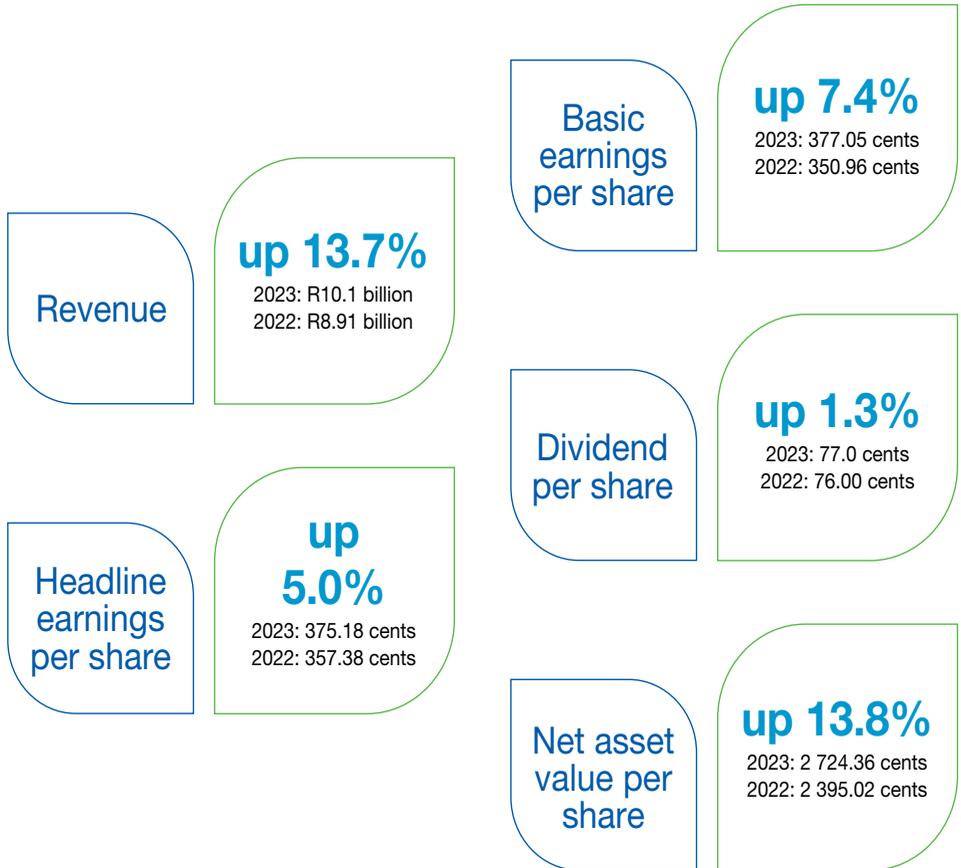


SUMMARISED AUDITED CONSOLIDATED
FINANCIAL RESULTS FOR THE YEAR
ENDED 30 JUNE 2023



SUSTAINABLE 

Salient features



SUSTAINABLE

Condensed consolidated statement of comprehensive income

	Audited 30 June 2023 R000	Audited 30 June 2022 R000
Revenue	10 126 197	8 909 567
Cost of sales	(8 713 918)	(7 636 886)
Gross profit	1 412 279	1 272 681
Foreign currency losses	(123 146)	(73 315)
Impairment losses on trade receivables	(11 092)	(28 647)
Distribution, administrative and other operating expenses	(823 251)	(763 799)
Profit from operations	454 790	406 920
Investment income	23 650	6 778
Finance costs	(174 532)	(76 751)
Loss from equity accounted investments	(12 799)	(1 572)
Other non-operating gains (losses)	1 555	(13 297)
Profit before tax	292 664	322 078
Income tax expense	(73 052)	(96 866)
Profit for the year	219 612	225 212
Other comprehensive income (loss)		
Exchange differences on translation of foreign operations	(531)	(1 714)
Exchange differences recycled to profit or loss on liquidation of foreign subsidiary	2 150	–
Other comprehensive income (loss) for the year, net of tax	1 619	(1 714)
Total comprehensive income for the year	221 231	223 498
Profit attributable to:		
Owners of the parent	219 612	219 970
Non-controlling interest	–	5 242
	219 612	225 212
Total comprehensive income attributable to:		
Owners of the parent	221 231	218 256
Non-controlling interest	–	5 242
	221 231	223 498
Earnings per share:		
Basic earnings per ordinary share (cents)	377.05	350.96
Diluted earnings per ordinary share (cents)	377.05	350.96

Condensed consolidated statement of financial position

	Audited 30 June 2023 R000	Audited 30 June 2022 R000
ASSETS		
Non-current assets		
Property, plant and equipment	258 978	191 991
Investment property	9 785	10 412
Right-of-use assets	62 889	48 859
Goodwill	46 550	46 550
Intangible assets	124 862	104 006
Investments in associates	116 984	122 953
Other loans	12 915	22 810
Prepayments	–	21 228
Deferred tax assets	40 735	45 441
	673 698	614 250
Current assets		
Loan to associate	–	2 092
Inventories	2 790 335	2 480 187
Trade and other receivables	1 856 627	1 475 348
Contract assets	34 869	3 398
Foreign currency assets	17 658	48 965
Current tax receivable	936	10 923
Cash and cash equivalents	349 258	375 323
	5 049 683	4 396 236
Total assets	5 723 381	5 010 486
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary stated capital	–	–
Retained earnings	1 562 726	1 409 811
Foreign currency translation reserve	4 871	3 252
Equity attributable to owners of the parent	1 567 597	1 413 063
Non-controlling interest	–	–
Total equity	1 567 597	1 413 063
Non-current liabilities		
Borrowings and other liabilities	34 010	48 026
Contract liabilities	22 765	24 101
Deferred tax liabilities	5 609	4 743
Lease liabilities	38 230	29 307
	100 614	106 177
Current liabilities		
Trade and other payables	3 552 478	3 213 525
Borrowings and other liabilities	2 274	2 410
Foreign currency liabilities	14 923	327
Lease liabilities	29 806	22 988
Contract liabilities	63 654	28 050
Current tax payable	10 557	1 681
Bank overdrafts	381 478	222 265
	4 055 170	3 491 246
Total liabilities	4 155 784	3 597 423
Total equity and liabilities	5 723 381	5 010 486

Summarised consolidated statement of cash flows

	Audited 30 June 2023 R000	Audited 30 June 2022 R000
Cash flows from operating activities		
Cash receipts from customers	9 732 798	8 637 161
Cash paid to suppliers and employees	(9 535 104)	(8 333 730)
Net cash from operations	197 694	303 431
Investment revenues received	23 650	6 241
Finance costs paid	(174 532)	(76 751)
Dividends paid	(44 840)	(60 095)
Tax paid	(47 787)	(101 009)
Net cash (used in) from operating activities	(45 815)	71 817
Cash flows from investing activities		
Purchase of property, plant and equipment	(67 712)	(24 590)
Sale/recoupment of property, plant and equipment	211	6 056
Purchase of intangible assets	(26 676)	(27 470)
Disposal of subsidiary net of cash disposed	–	13 756
Proceeds from loans to associate	2 118	2 981
Dividends received from associates	–	2 520
Receipts from other loans	2 362	15 451
Increase of non-current prepayments	–	(21 228)
Net cash (used in) investing activities	(89 697)	(32 524)
Cash flows from financing activities		
Buy back of ordinary shares	(21 857)	(97 999)
Repayment of borrowings	(2 366)	(2 257)
Proceeds from bank overdraft	159 213	190 887
Payment of lease liabilities	(25 543)	(22 280)
Net cash from financing activities	109 447	68 351
Total cash movement for the year	(26 065)	107 644
Cash and cash equivalents at beginning of the year	375 323	267 679
Cash and cash equivalents at end of the year	349 258	375 323

Summarised consolidated statement of changes in equity

	Ordinary stated capital R000	Retained earnings R000	Foreign currency translation reserve R000	Attributable to owners of the parent R000	Non- controlling interest R000	Total equity R000
Balance at 1 July 2021	–	1 345 440	4 966	1 350 406	7 174	1 357 580
Profit for the year	–	219 970	–	219 970	5 242	225 212
Other comprehensive loss	–	–	(1 714)	(1 714)	–	(1 714)
Dividends paid	–	(57 600)	–	(57 600)	(2 495)	(60 095)
Buy back of shares	–	(97 999)	–	(97 999)	–	(97 999)
Disposal of subsidiary	–	–	–	–	(9 921)	(9 921)
Balance at 30 June 2022	–	1 409 811	3 252	1 413 063	–	1 413 063
Profit for the year	–	219 612	–	219 612	–	219 612
Other comprehensive income	–	–	1 619	1 619	–	1 619
Dividends paid	–	(44 840)	–	(44 840)	–	(44 840)
Buy back of shares	–	(21 857)	–	(21 857)	–	(21 857)
Balance at 30 June 2023	–	1 562 726	4 871	1 567 597	–	1 567 597

Summarised segment analysis

The operating segments of Mustek Limited have been reassessed in the current year and Mecer Inter-Ed (MIE) has now been identified and reported as its own operating segment. This is due to the continuous growth in their results, and the fact that their operating results are reviewed regularly by the Group's operating decision makers.

Business segments	Total		Mustek	
	30 June 2023 R000	30 June 2022 R000	30 June 2023 R000	30 June 2022 R000 (restated)
Revenue	10 126 197	8 909 567	6 634 401	6 158 079
EBITDA*	508 638	455 212	341 354	330 612
Depreciation and amortisation	(53 848)	(48 292)	(41 070)	(32 135)
Profit (loss) from operations	454 790	406 920	300 284	298 477
Investment revenues	23 650	6 778	5 822	1 658
Finance costs	(174 532)	(76 751)	(108 194)	(45 554)
Other non-operating gains (losses)	1 555	(13 297)	191	1 972
Loss from equity-accounted investments	(12 799)	(1 572)	–	–
Profit (loss) before tax	292 664	322 078	198 103	256 553
Income tax (expense) benefit	(73 052)	(96 866)	(52 508)	(72 816)
Profit (loss) for the year	219 612	225 212	145 595	183 737
Attributable to:				
Owners of the parent	219 612	219 970	145 595	183 737
Non-controlling interest	–	5 242	–	–
	219 612	225 212	145 595	183 737

* Earnings before interest, taxation, depreciation and amortisation

ASSETS				
Segment assets	5 605 460	4 874 518	3 362 132	2 935 860
Investment in associates	116 984	125 045	–	–
Current tax assets	936	10 923	936	4 271
Consolidated total assets	5 723 380	5 010 486	3 363 068	2 940 131
LIABILITIES				
Segment liabilities	4 145 226	3 595 742	2 483 709	2 177 456
Current tax liabilities	10 557	1 681	7 673	1 681
Consolidated total liabilities	4 155 783	3 597 423	2 491 382	2 179 137

Rectron		MIE		Group		Eliminations	
30 June 2023 R000	30 June 2022 R000	30 June 2023 R000	30 June 2022 R000	30 June 2023 R000	30 June 2022 R000	30 June 2023 R000	(Restated) 30 June 2022 R000
3 738 483	3 082 350	97 983	89 861	–	–	(344 670)	(420 723)
145 488 (10 899)	121 030 (14 516)	32 441 (4 657)	38 718 (4 308)	(10 645) –	(35 148) –	– 2 778	– 2 667
134 589 19 372 (66 550) 1 493 –	106 514 2 541 (31 471) 1 598 –	27 784 – (223) – –	34 410 – (236) – –	(10 645) 21 256 – (5 639) (12 799)	(35 148) 40 386 – (4 837) (1 572)	2 778 (22 800) 435 5 510 –	2 667 (37 807) 510 (12 030) –
88 904 (21 082)	79 182 (22 865)	27 561 (7 165)	34 174 (9 112)	(7 827) 7 703	(1 171) 7 927	(14 077) –	(46 660) –
67 822	56 317	20 395	25 062	(124)	6 756	(14 077)	(46 660)
67 822 –	51 075 5 242	20 395 –	25 062 –	(124) –	6 756 –	(14 077) –	(46 660) –
67 822	56 317	20 395	25 062	(124)	6 756	(14 077)	(46 660)
2 124 667 – –	1 810 512 – 6 527	52 097 – –	41 438 – 125	82 876 116 984 –	93 799 125 045 –	(16 312) – –	(7 091) – –
2 124 667	1 817 039	52 097	41 563	199 860	218 844	(16 312)	(7 091)
1 648 341 2 032	1 407 079 –	18 112 852	18 826 –	– –	– –	(4 935) –	(7 619) –
1 650 373	1 407 079	18 964	18 826	–	–	(4 935)	(7 619)

Summarised segment analysis continued

Geographical segments	Total		South Africa		Mustek East Africa		Mecer Technology (Taiwan)	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	R000	R000	R000	R000	R000	R000	R000	R000
Revenue	10 126 197	8 909 567	10 058 643	8 867 488	67 486	42 079	68	-
Profit (loss) before tax	292 664	322 078	288 155	318 894	(4 972)	(2 032)	9 481	5 216
Income tax (expense) benefit	(73 052)	(96 866)	(75 233)	(94 638)	2 435	(1 212)	(254)	(1 016)
Profit (loss) for the year	219 612	225 212	212 922	224 256	(2 537)	(3 244)	9 227	4 200
Attributable to:								
Owners of the parent	219 612	219 970	212 922	219 014	(2 537)	(3 244)	9 227	4 200
Non-controlling interest	-	5 242	-	5 242	-	-	-	-
	219 612	225 212	212 922	224 256	(2 537)	(3 244)	9 227	4 200
ASSETS								
Segment assets	5 722 444	4 999 563	5 608 838	4 913 001	60 631	53 391	52 975	33 171
Current tax assets	936	10 923	798	10 923	138	-	-	-
Consolidated total assets	5 723 380	5 010 486	5 609 636	4 923 924	60 769	53 391	52 975	33 171

Commentary

Headline earnings and dividend per ordinary share

	Audited 30 June 2023	Audited 30 June 2022
Weighted number of ordinary shares in issue	58 245 548	62 676 789
Ordinary shares in issue	57 540 000	59 000 000
Dividend per ordinary share – paid (cents)	76.00	90.00
Dividend per ordinary share – declared (cents)	77.00	76.00
Headline earnings per share (cents)	375.18	357.38
Reconciliation between basic and headline earnings (R000)		
Basic earnings attributable to owners of the parent	219 612	219 970
Group's share of loss (profit) on disposal/recoupment of property, plant and equipment and intangible assets	1 055	(3 020)
Impairment of investment in associate	–	10 161
Foreign currency translation reserve reclassified to profit/loss	(2 150)	–
Group's share of profit on sale of subsidiary	–	(4 592)
Remeasurement items included in associate equity accounted earnings:		
Group's share of impairment of property, plant and equipment	–	1 559
Group's share of loss (profit) on sale of property, plant and equipment	10	(82)
Headline earnings	218 527	223 996
Net asset value per share (cents)	2 724.36	2 395.02

Operating results

In a challenging economic landscape compounded by the fragility of our electricity supply, the Mustek Group has demonstrated resilience and a satisfactory operating performance with double-digit revenue growth and good cost control. The results were negatively impacted by aspects mainly outside of our control. This included severe exchange rate fluctuations which led to increased forex losses and a significant increase in interest rates which led to higher finance costs. Mustek's headline earnings per share is 5,0% higher at 375,18 cents (2022: 357,38 cents) and basic earnings per share is 7,4% higher at 377,05 cents (2022: 350,96 cents).

Financial highlights

Revenue growth

The Group achieved an impressive 13.7% growth in revenue during the 2023 financial year. The two largest segments, Mustek and Rectron grew their revenue by 7.8% and 21.3% respectively. This was mainly driven by the increased demand for sustainable energy products, which the Group diversified into a few years ago. The IT training company, Mecer Inter-Ed (MIE) continues to contribute meaningfully to the Group's revenue and profitability, and has been disclosed as a separate operating segment in the current reporting period. Revenue of R98.0 million (2022: R89.86 million) was achieved by this segment.

Gross profit

The gross profit margin declined slightly to 13.9% (2022: 14.3%). While the margin on the sale of sustainable energy products was higher than the traditional products distributed by the Group, the overall margin was impacted by pressures in the mobility category. Margins were reduced on entry-level notebooks to reduce the overstocking of that category noted in June 2022.

Exchange rate fluctuations

Over the 2023 financial year we continued to see significant volatility of the Rand, with the US Dollar costing R16.41 at the beginning of the year and R18.74, 14% weaker, at the end of the financial year. At the extreme of R19.80 that represented a 21% swing from the beginning of the year. This volatility contributed to higher foreign currency losses.

Finance costs

A challenge has been the increase in finance costs. This was from higher interest rates and working capital. Average South African prime interest rates were 40% higher in this financial year. The average borrowing rate applicable to the Group's USD based borrowings increased from 3.2% in FY'22 to 8.2% in FY'23. Approximately 60% of the Group's available working capital facilities are USD based and the high volatility of the exchange rate has also played a role in the increased trade finance costs.

Associate performance

Associates contributed a loss of R12.8 million compared to a loss of R1.6 million in the previous financial year. Khauleza and Zaloserve were negatively impacted by operational challenges and slow government spend in their specific areas.

The Group was also impacted by irregular expenditure that was identified in Zaloserve's 100% held subsidiary, Sizwe Africa IT Proprietary Limited ("Sizwe"). Refer to the SENS announcement released on 5 September 2023 for further details. The Group's effective shareholding in Sizwe is 40%.

Continuous Power Systems, an associate that designs and manufactures a wide range of server cabinets and Yangtze Optics Africa Cable, an associate that manufactures fibre-optic cable, traded profitably. They are well placed to continue growing their contribution to the Group.

Working capital

Working capital has reduced from a peak at interim (December 2022). We are satisfied with the progress made and continue to focus on further working capital reduction.

From a year-on-year perspective, working capital increased due to:

- Increase in revenue by 13.7%
- Normalisation of the supply-demand situation post-covid. After the onset of the pandemic there was a period of extreme supply shortage and high demand. Supply has now caught up and consequently has resulted in increased inventory
- Increased stock holding of sustainable energy products to meet increased demand and longer lead times
- Increase in trading activity with the retail segment, primarily for sustainable energy products. The credit period for this customer segment is usually longer

Inventory held at the reporting period date is still elevated, however the Group is comfortable that the inventory mix at year end is healthy.

One of the key Group strategic objectives for the next financial year is working capital management and optimisation of cashflows to ensure efficient utilisation of resources, improved financial flexibility, improved management of finance costs, and sustained growth.

Cash flow

The Group maintained a healthy cash generated from operations of R197.7 million (2022: R303.4 million). Management continues to focus on optimal working capital management as it is a driver of the Group's profitability.

The Group has sufficient banking facilities.

Industry outlook

Positive developments are underway but it is important to acknowledge that the market is currently experiencing a downturn, evident by several global OEM suppliers reporting revenue declines in the EMEA region.

The potential lies within the expanded installed base, which has grown since pre-pandemic times. While an immediate overhaul of systems acquired during the COVID-19 period is desirable, a significant portion of the installations from 2019 are also due for an upgrade.

The emergence of Generative AI is fostering a demand for intelligence at the edge. Businesses are realising that to remain competitive, integrating AI into all aspects of their operations is imperative. The Group recognises the significance of embracing these technological advancements and aims to be at the forefront of the evolving landscape.

The concept of "Compute in Everything" holds the promise of many advantages for individuals, enterprises, and society as a whole. By integrating computing capabilities into everyday objects, efficiency and effectiveness can be greatly enhanced. This approach also enables better utilisation of computing resources through wider distribution. Furthermore, personalised experiences can be facilitated as computing power becomes tailored to individual needs. Lastly, the potential for more secure and dependable systems is heightened by the broader distribution of computing power.

However, challenges must be confronted. The cost of integrating computing into common objects is a significant hurdle. Security and privacy concerns also loom large. Additionally, managing the intricacies of dispersed computing power presents a challenge.

In summary, the "Compute in Everything" paradigm offers remarkable potential, but it's vital to address these challenges to fully realise its benefits. To continue to position ourselves favourably our team is diligently working to capitalise on this potential while being mindful of the associated difficulties.

The issue of cybersecurity is intricate and context dependent. Instances like the SolarWinds attack underscore the critical importance of cybersecurity for global decision-makers. Achieving cyber resilience is not easy. It requires a unified approach across borders and industries. Safeguarding remote and hybrid work environments continues to pose a substantial cybersecurity challenge. Numerous other obstacles exist, including advanced persistent threats, the evolving landscape of ransomware, threats to IoT, cloud security concerns, attacks on cryptocurrency and blockchain technologies, and AI and machine learning-fuelled attacks. Our investments in new cybersecurity partners position us well to offer tailored solutions and establish mutually beneficial partnerships.

Group prospects

As we navigate these challenging times, we stand firm in our commitment to anticipating stakeholder needs and shaping the Group for long-term sustainability. By focusing on sustainable and controlled growth, and maximising working capital efficiency, we remain poised to overcome market challenges and ensure the financial stability and success of the Mustek Group.

Looking ahead, we are focused on achieving a stronger and cash-rich balance sheet. The Group aims to enhance operational efficiencies through automation, data-driven decision making and streamlining processes to become leaner and more agile.

While we may not experience strong growth in the year ahead, we are aiming for a substantial improvement in cash flow, reduced working capital and a stronger balance sheet.

Our investment in new product lines such as cloud and cybersecurity solutions, networking equipment and sustainable energy have contributed meaningfully to both revenue and profit. The Group continues to carefully evaluate opportunities to add additional products to its offering to better utilise infrastructure and benefit from economies of scale.

In conjunction with strategic partners from across the ICT industry, Mustek remains well positioned for the forthcoming years.

Share repurchase programme

Mustek acquired 1 460 000 (2022: 7 000 000) ordinary shares of its issued share capital on the open market for a purchase consideration in aggregate of R21.9 million (2022: R98.0 million) (the general repurchase). The general repurchase was effected in terms of a general authority to Mustek's directors (the directors), which was granted in terms of special resolutions passed by the members at Mustek's annual general meeting (AGM) held on 5 December 2022.

The share repurchase comprised 2.47% of the total issued ordinary shares of Mustek at the date of the 2022 AGM. The general repurchase was carried out between 22 December 2022 and 28 December 2022 and in accordance with the JSE Limited (JSE) Listings Requirements. The company confirms that the repurchases were effected through the order book operated by the JSE and done without any prior understanding or arrangement between the company and the counterparties.

Mustek paid an average of 1 497 cents per share for all the ordinary shares repurchased.

Shares purchased were cancelled and de-listed. The Group will continue to consider buybacks in the future when it makes sense. The market will be notified in accordance with applicable listing rules and regulations if and when repurchases are made.

Dividend

The declaration of cash dividends will continue to be considered by the Board in conjunction with an evaluation of current and future funding requirements and opportunities to repurchase shares. It will be adjusted to levels considered appropriate at the time of declaration. To this end, the Board has declared a final dividend of 77.00 cents (2022: 76.00 cents) per ordinary share for the financial year ended 30 June 2023.

Notice is hereby given that a final dividend of 77.00 cents per ordinary share for the year ended 30 June 2023 is declared, payable to shareholders recorded in the books of the company at the close of business on the record date appearing below. This dividend is declared out of income reserves. The company's income tax reference number is 9550081716 and the company has 57 540 000 ordinary shares in issue and ranking for dividend at the date of this declaration. The South African dividend tax rate is 20% resulting in a net dividend of 61.60 cents per ordinary share to shareholders who are not tax exempt.

The salient dates applicable to the final dividend are as follows:

Last day of trade <i>cum</i> dividend	Tuesday, 10 October 2023
First day to trade <i>ex</i> dividend	Wednesday, 11 October 2023
Record date	Friday, 13 October 2023
Payment date	Monday, 16 October 2023

No share certificates may be dematerialised or rematerialised between Wednesday, 11 October 2023 and Friday, 13 October 2023, both days inclusive.

Corporate information

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

Basis of preparation

The summarised audited consolidated financial results for the year ended 30 June 2023 has been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and SA Financial Reporting requirements and as a minimum contain the information required by IAS 34 *Interim Financial Reporting*, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The audited consolidated financial statements and this set of summarised financial information, which are based on reasonable judgements and estimates, have been prepared using accounting policies and methods of computation that comply with IFRS.

The accounting policies are consistent with those applied in the consolidated financial statements for the year ended 30 June 2022.

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

Audit report

Mustek's independent auditor, BDO South Africa Incorporated, has issued an unmodified audit report dated 19 September 2023 on the consolidated financial statements for the year ended 30 June 2023. The audit was conducted in accordance with International Standards on Auditing. The directors take full responsibility for the preparation of this summarised report and the financial information has been derived from the consolidated financial statements and are consistent in all material aspects with the consolidated financial statements. The consolidated financial statements together with the unmodified audit report is available for inspection at the company's registered office and on the company's website at <https://mustek.co.za/financial/>. The auditor's report does not necessarily report on the information contained in this report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a full copy of the auditor's report, together with the accompanying financial information from the issuer's registered office. Any reference to future financial performance included in this report has not been reviewed or reported on by the company's auditor.

Fair value measurement of financial instruments

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

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

Financial assets and liabilities	Level	Audited 30 June 2023 R000	Audited 30 June 2022 R000
Fair value through profit or loss: Foreign currency assets			
These financial assets consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets are included in foreign currency losses.	2	17 658	48 965
Fair value through profit or loss: Foreign currency liabilities			
These financial liabilities consist of foreign currency forward contracts and options, and are measured using discounted cash flows. Future cash flows are estimated based on the observable yield curves of forward interest rates at the end of the reporting period, as well as contract interest rates. The revaluation of these assets are included in foreign currency losses.	2	14 923	327

Disaggregation of revenue

The Group has assessed that the disaggregation of revenue by customer segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed in order to evaluate the financial performance of the entity. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Audited 30 June 2023 R000	Audited 30 June 2022 R000
Sales of goods (revenue earned at a point in time) (external)		
Hardware sales	9 791 054	8 560 332
Dealers	6 471 249	5 519 454
Retailers	1 280 738	1 124 313
Public sector supplies	1 779 835	1 716 071
Export	259 232	200 494
Software sales	195 041	241 044
Dealers	111 516	154 012
Retailers	15 760	43 765
Public sector supplies	54 714	27 500
Export	3 341	6 362
Cloud services (agent)	9 710	9 405
Rendering of services (revenue earned over time)	106 316	90 757
Maintenance and support contracts – net of deferred revenue	13 507	30 001
Training courses – net of deferred revenue	92 809	60 756
Rendering of services (revenue earned at a point in time)	33 786	17 434
Repair services	33 786	17 434
Total revenue (external)	10 126 197	8 909 567

Transformation

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

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

Board of directors

Reverend Vukile Mehana indicated his intention to retire as a non-executive director and chairperson of the Board at the conclusion of the next Annual General Meeting to be held on or about 23 November 2023. The Board would like to thank Reverend Mehana for his contributions and leadership and wishes him health, happiness, and fulfilment in his retirement.

Effective 1 September 2023, Isaac Mophatlane was appointed as an independent non-executive director to the Board.

Retirement benefit plan

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

Post-balance sheet events

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

On behalf of the board of directors

Hein Engelbrecht CA(SA)

Group chief executive officer

Shabana Aboo Baker Ebrahim CA(SA)

Group financial director (preparer of Group results)

19 September 2023

Midrand

Corporate information

www.mustekgroup.com

Company secretary

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