

CHOPPIES

Great value for your money!



Condensed Audited Group
Financial Results for the
year ended **30 June 2025**
And cash dividend
declaration

25



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The Company's primary listing is on the BSE, and its secondary listing is on the JSE.

Corporate information

Registration number:
BW00001142508

BSE

ISIN: BW0000001072
Share code: CHOP-EQO
Bloomberg code: CHOPPIES BG
EQUITY
Reuters code: CHOPP.BT
Listing date: January 2012
Total shares in issue: 1 824 461 674

JSE

ISIN: BW0000001072
Share code: CHP
Listing date: May 2015

For and on behalf of the Board

D. K. U. Corea
Chairman

R. Ottapathu
Chief Executive Officer

22 September 2025

Registered office

Plot 28892, Twin Towers, Fairground
Gaborone, Botswana

Sponsors

BSE: Motswedi, Securities (Pty) Limited
JSE: PSG Capital

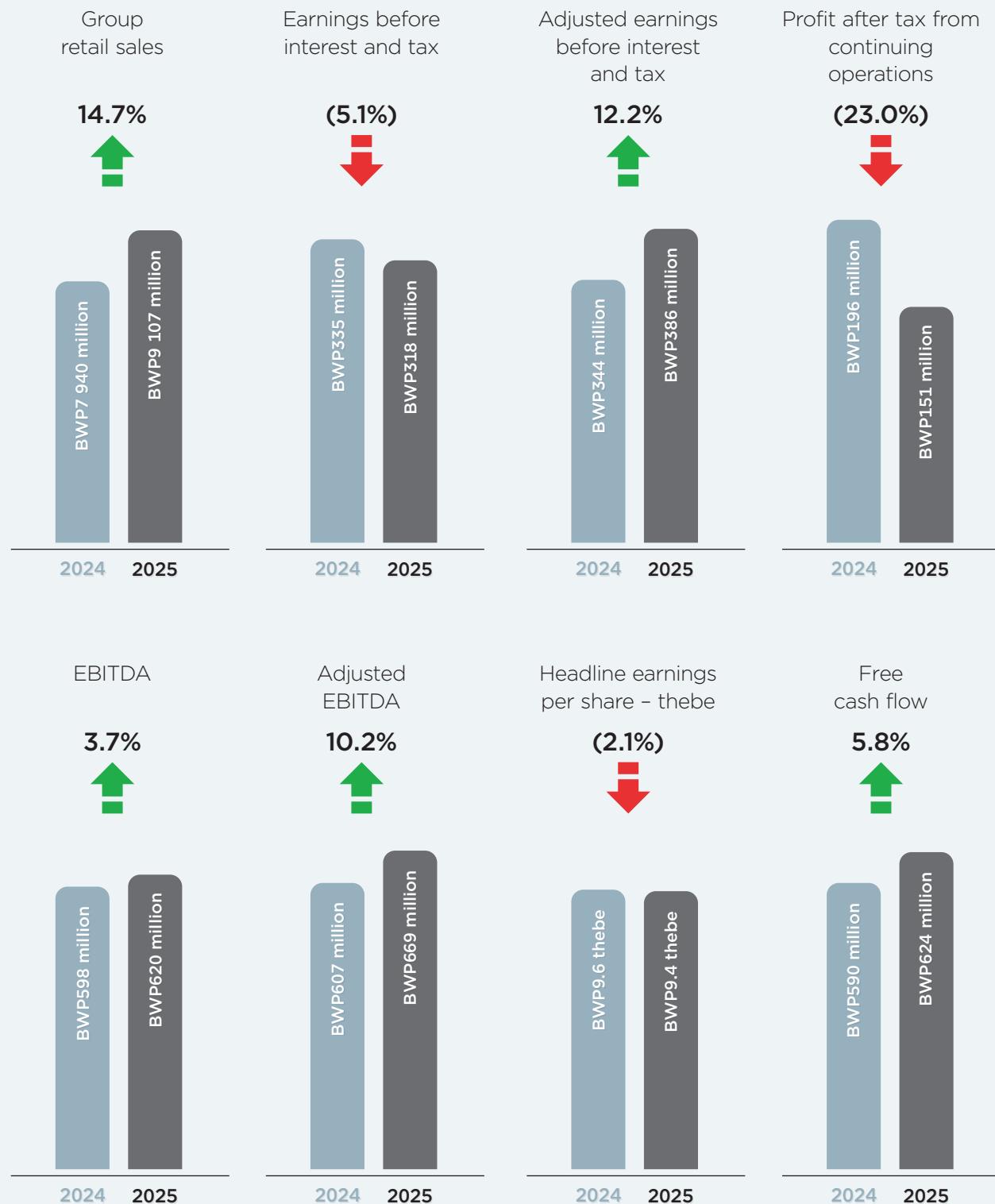
Company secretary

BP Consulting Services (Pty) Limited
Plot 28892, Twin Towers, Fairground
Gaborone, Botswana

Auditors

Forvis Mazars, Plot 139, Finance Park
Gaborone, Botswana

SALIENT FEATURES



* Comparative numbers have been re-presented in accordance with the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year.

OTHER HIGHLIGHTS

- ▶ All Choppies segments – Botswana, Namibia and Zambia – achieved profitable EBITDA
- ▶ The strategy of exiting loss-making segments continues with the exit from Zimbabwe
- ▶ **Retail footfall up by 10.5%**
- ▶ **Strong momentum as customers respond to value and convenience offering**
- ▶ **Group funding covenants complied with**
- ▶ Rest of Choppies segments – turnaround of all segments in progress, but slower than expected, and plans are in place to improve the performance
- ▶ Building a **deeper pool of employees** ready to step into key roles to ensure adequate succession
- ▶ Commenced with the implementation of a new enterprise resource planning (“ERP”) system for completion by FY2027
- ▶ **Final dividend of 0.6 thebe per ordinary share declared** (subject to withholding tax), (2024: 1.6 thebe), bringing the **total dividend to 2.2 thebe** (2024: 3.0 thebe)
- ▶ Store footprint **increased by 30 stores**.

Statistics

	June 2025	June 2024	Change
NUMBER OF STORES			
Supermarkets	287	257	30
Choppies Botswana	174	155	19
Choppies Namibia	111	103	8
Choppies Zambia	23	20	3
	40	32	8
Liquor and hardware	113	102	11
Liquorama Botswana	85	75	10
Builders Mart Botswana	27	27	-
Builders Mart Namibia	1	-	1
Number of employees	11 393	10 337	1 056
Supermarkets	10 192	9 238	954
Liquor and hardware	945	843	102
Milling and manufacturing	256	256	-

It should be noted that the opinion relates to the audited consolidated and separate financial statements and not the abridged financial statements/press release. The opinion should be read in conjunction with the audited consolidated and separate financial statements which are available for inspection at the Company's registered office.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Choppies Enterprises Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Choppies Enterprises Limited and its subsidiaries ("Choppies Group") set out on pages 9 to 78 which comprise the consolidated and separate statement of financial position as at 30 June 2025, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement 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 the Choppies Group as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of 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 Choppies Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of consolidated and separate financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matter #01:	<i>How the matter was addressed in the audit</i>
<p>Accounting for supplier rebate income</p> <p>This key audit matter relates the consolidated financial statements. Refer to the following note to the consolidated financial statements for detail:</p> <p>Accounting policy Note 1.16 – Rebates from suppliers</p> <p>As described in the group's accounting policy in note 1.16, the group recognises a reduction in cost of sales with regards to rebates agreements with suppliers.</p> <p>The reduction in cost of sales primarily comprise of rebates from suppliers in relation to:</p> <ul style="list-style-type: none">▶ Volume-related allowances,▶ Promotional and marketing allowances, and▶ Various other fees and discounts. <p>These rebates are received in connection with the purchase of goods for resale from those suppliers.</p> <p>The recognition of supplier rebates has been considered to be a matter of most significance to the audit as there is a risk that rebates may be materially misstated due to the significant magnitude thereof, the varying terms with the suppliers and the judgements made in accruing for rebates as at year-end in relation to the nature and level of fulfilment of the group's obligation under the supplier agreements. Such agreements typically allow for various adjustments to the original selling price of goods subsequent to delivery of the goods, including (but not limited to) trade rebates, volume discounts (often measured using purchases over an extended period of time), early settlement discounts, advertising, and other allowances (collectively, "rebate income")</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none">▶ Evaluated the systems used to calculate rebates as well as evaluating the design, implementation and testing the operating effectiveness of the controls implemented by management over the accuracy of the calculation of rebates.▶ Tested the inputs used in calculating the supplier rebates by performing, among other, the following procedures for a sample of rebates:<ul style="list-style-type: none">▶ Reviewed the major supplier agreements to understand their terms;▶ Evaluated management's conclusion as to whether the rebate relates to a specific and genuine service, and consequently the treatment of the rebate in relation to the measurement of the cost of inventory at year end, through comparison to prior year treatment and evaluation of the types and terms of rebates received with reference to contractual terms;▶ Recalculated and assessed the rebate amounts recognised and the period in which they were recognised. This was based on the review of contractual performance obligations on a sample of contracts with suppliers to assess the conditions required for supplier rebates to be recognised and whether these had been met;▶ Evaluated the appropriateness of the recognition and classification of the rebates and other income and related costs in terms of the requirements of IAS 2, Inventories; and▶ Assessed and evaluated the presentation and disclosure of the above matter, as set out in the note 1.16 of the financial statements (Rebates from suppliers).

Key audit matter #02:	How the matter was addressed in the audit
<p>Goodwill impairment</p> <p>This key audit matter relates to the consolidated financial statements. Refer to the following notes to the consolidated financial statements for details:</p> <ul style="list-style-type: none"> ▶ Accounting policy Note 1.2 – Basis of Consolidation; ▶ Accounting policy Note 1.2 – Goodwill; ▶ Accounting policy Note 1.22 – Significant judgements and sources of estimation uncertainty ▶ Note 17 – Goodwill <p>As required by both the applicable accounting standards and the group's accounting policy (note 1.2), goodwill is tested for impairment by assessing the recoverable amount of the cash- generating units (CGUs) to which the goodwill relates. The recoverable amount of each CGU that includes goodwill is determined as the higher of value in use, using a discounted cash flow model, and fair value less cost to sell, where applicable.</p> <p>There are several assumptions made in estimating the expected future cash flows, in calculating discount rates and perpetuity growth rate used in the forecast model. Assumptions by their nature are a significant area of judgement.</p> <p>We have determined the above to be a key audit matter, due to the extensive audit effort to evaluate the assumptions and judgements applied by management with regard to projected cash flow forecasts.</p>	<p>We obtained the value-in-use calculations on the lowest level of CGUs and performed the following procedures:</p> <ul style="list-style-type: none"> ▶ Compared the future projected cash flows used in the models against historical achieved results to assess the appropriateness and reasonability; ▶ Compared the future projected cash flows used in the models against actual results achieved after year-end. ▶ Evaluated the valuation methodology applied by management for appropriateness against the requirements of the IAS 36 and acceptable industry practices; ▶ Reviewed the reasonability and appropriateness of the discount rates by assessing the assumptions made by management in relation to current market data; ▶ Reviewed the reasonability of specific risk premium used in the calculation of the discount rates; ▶ Reviewed the reasonability of the perpetuity growth rate by assessing the assumptions made by management in relation to current market data; ▶ Recalculated the recoverable amount of each CGU to ensure mathematical accuracy; and ▶ Evaluated the completeness and appropriateness of disclosures against the requirements of IAS 36, <i>Impairment of Assets</i>.

Other information

The directors are responsible for other information. The other information comprises the information included in the document titled "Choppies Enterprises Limited Consolidated and Separate Annual Financial statements for the year ended 30 June 2025", which includes the Directors' Responsibilities and Approval of the Consolidated and Separate Financial Statements and the Chief Executive Officer and Chief Financial Officer Responsibility Statement, which we obtained prior to the date of this auditor's report, and the "Choppies Enterprises Limited Annual Integrated Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

continued

Our opinion on the consolidated and separate financial statements does not cover the other information and we do 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 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, 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 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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 International Standards on Auditing 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 judgment 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's and the 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's and the 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.
- ▶ 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the latter 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.



Forvis Mazars
Certified Auditors

Practicing member: Devaprasad Arakkal
Membership number: CAP 036 2025

Gaborone
Date: 20 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Pula millions

	Audited 12 months ended 30 June 2025 BWPm	Audited* 12 months ended 30 June 2024 BWPm
Continuing operations		
Revenue	9 173	8 001
Retail sales	9 107	7 940
Cost of sales	(7 214)	(6 319)
Gross profit	1 893	1 621
Other operating income	66	61
Expenditure	(1 641)	(1 347)
Profit on disposal of plant and equipment	2	3
Net impairment losses	(7)	-
(Loss)/profit on sale of business	(14)	16
Administrative expenses	(1 400)	(1 172)
Selling and distribution expenses	(53)	(37)
Foreign exchange losses on lease liability	2	(17)
Expected credit loss movement	(4)	(1)
Other operating expenses	(167)	(139)
Operating profit before interest	318	335
Finance income	1	4
Finance costs	(101)	(109)
Profit before taxation	218	230
Taxation	(67)	(34)
Profit from continuing operations	151	196
Loss from discontinued operations	(56)	(60)
Total profit for the period	95	136
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	18	(35)
Foreign currency translation reserves reclassified to profit or loss on disposal of the Zimbabwe segment	338	-
Hyperinflationary reserve reclassified to profit or loss on disposal of the Zimbabwe segment	(313)	-
	43	(35)
Total comprehensive profit for the year	138	101

* Comparative numbers have been re-presented in accordance with the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

continued

Figures in Pula millions

	Audited 12 months ended 30 June 2025 BWPm	Audited* 12 months ended 30 June 2024 BWPm
Profit/(loss) for the period attributable to:		
Owners of the parent	97	138
Non-controlling interest	(2)	(2)
	95	136
Profit/(loss) for the period attributable to:		
Owners of the Company		
From continuing operations	153	190
From discontinued operations	(56)	(52)
	97	138
Non-controlling interests		
From continuing operations	(2)	5
From discontinued operations	-	(7)
	(2)	(2)
Total comprehensive loss attributable to:		
Owners of the parent	140	105
Non-controlling interest	(2)	(4)
	138	101
Basic earnings/(loss) per share – thebe		
Continuing operations	8.4	10.5
Discontinuing operations	(3.1)	(2.9)
	5.3	7.6
Diluted earnings/(loss) per share – thebe		
Continuing operations	8.3	10.3
Discontinuing operations	(3.1)	(2.9)
	5.2	7.4

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in Pula millions

	Audited 30 June 2025 BWPm	Audited 30 June 2024 BWPm
ASSETS		
Non-current assets		
Property, plant and equipment	1 847	1 704
Right-of-use assets	908	754
Goodwill	712	754
Intangible assets	110	108
Loans to related entities	9	7
Investments in new projects	41	40
Deferred tax	40	9
	27	32
Current assets	1 088	1 123
Inventories	644	664
Amounts due from related entities	9	3
Advances and deposits	76	71
Trade and other receivables	177	165
Taxation refundable	12	14
Cash and cash equivalents	170	206
Total assets	2 935	2 827
EQUITY AND LIABILITIES		
Equity		
Stated capital	224	136
Treasury shares	1 207	1 207
Hyperinflationary reserve	(28)	(32)
Foreign currency translation reserve	-	312
Retained loss	(359)	(714)
Non-controlling interests	(469)	(512)
	(127)	(125)
Non-current liabilities	790	1 012
Long-term borrowings	112	243
Lease liabilities	611	671
Instalment sales liabilities	25	65
Deferred taxation liabilities	42	33
Current liabilities	1 921	1 679
Trade and other payables	1 360	1 202
Amounts due to related entities	28	23
Current portion of long-term borrowings	152	104
Current portion of lease liabilities	232	194
Instalment sales liabilities	34	47
Taxation payable	30	28
Bank overdraft	85	81
Total liabilities	2 711	2 691
Total equity and liabilities	2 935	2 827

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in Pula millions	Stated capital	Treasury shares	Foreign currency translation reserve	Hyper-inflationary reserve	Retained earnings (loss)	Attributable to equity holders	Non-controlling interest	Total
	BWPm	BWPm	BWPm	BWPm	BWPm	BWPm	BWPm	BWPm
Balance as at								
1 July 2023 (Audited)	1 207	(32)	(682)	312	(664)	141	(99)	42
Total comprehensive (loss)/income for the period	–	–	(32)	–	138	106	(5)	101
Profit for the year	–	–	–	–	138	138	(2)	136
Other comprehensive loss	–	–	(32)	–	–	(32)	(3)	(35)
Acquisition of Kamoso Africa Group	–	–	–	–	22	22	(26)	(4)
Sale of business	–	–	–	–	15	15	5	20
Share-based payments	–	–	–	–	6	6	–	6
Total distributions to owners of Company recognised directly to equity	–	–	–	–	(29)	(29)	–	(29)
Balance as at	1 207	(32)	(714)	312	(512)	261	(125)	136
Total comprehensive income/(loss) for the period	–	–	355	(312)	97	140	(2)	138
Profit/(loss) for the year	–	–	–	–	97	97	(2)	95
Other comprehensive income	–	–	355	(312)	–	43	–	43
Share-based payments	–	4	–	–	1	5	–	5
Total distributions to owners of Company recognised directly to equity	–	–	–	–	(55)	(55)	–	(55)
Balance as at	1 207	(28)	(359)	–	(469)	351	(127)	224

NOTE: HEADLINE EARNINGS PER SHARE COMPUTATION

Figures in Pula millions

	Audited 12 months ended 30 June 2025 BWPm	Audited* 12 months ended 30 June 2024 BWPm
Basic earnings		
Profit on disposal of asset	153	190
Impairment losses	(2)	(3)
(Loss)/profit on sale of business	7	-
Non-controlling interest	14	(16)
Tax impact	-	4
Headline earnings	171	176
Number of shares for basic earnings	1 824 461 674	1 824 461 674
Weighted average number of shares	1 824 461 674	1 824 461 674
Diluted weighted average number of shares	1 846 857 355	1 852 580 135
Headline earnings per share - thebe	9.4	9.6
Diluted headline earnings per share - thebe	9.3	9.5

* Comparative numbers have been re-presented in accordance with the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in Pula millions

	Audited 12 months ended 30 June 2025 BWPm	Audited* 12 months ended 30 June 2024 BWPm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	218	230
Adjustments for:	403	388
Depreciation, write-off and amortisation	288	263
Profit on disposals of plant and equipment	(2)	(3)
Loss on sale of Zimbabwe	14	-
Finance income	(1)	(4)
Finance costs	101	109
Foreign exchange (gains)/losses on leases	(2)	17
Share-based payments	5	6
Impairment of goodwill	-	-
Changes in working capital:	158	86
Movement in inventories	21	(87)
Movement in trade and other receivables	(12)	4
Movement in advances and deposits	(5)	-
Movement in amount due from related entities	(6)	1
Movement in trade and other payables	154	177
Movement in amount due to related entities	6	(9)
Cash generated from operations	779	704
Interest income	1	4
Dividends paid	(55)	(29)
Taxation paid	(46)	(45)
Net cash generated from operating activities	679	634
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in)/generated from investing activities	(329)	(267)
Purchase of property, plant and equipment	(281)	(159)
Proceeds on disposal of property, plant and equipment	3	12
Purchase of intangible assets	(4)	(2)
Discontinued operations	(34)	1
Acquisition of business	(13)	(119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	(396)	(379)
Financing obtained from third parties	36	121
Capital payments of long-term liabilities	(92)	(153)
Lease payments	(248)	(235)
Interest paid on borrowings	(92)	(112)
Net movement in cash and cash equivalents	(46)	(12)
Cash and cash equivalents at beginning of the year	125	143
Effect of foreign currency translation on foreign currency balances	6	(6)
Cash and cash equivalents at end of the year	85	125

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OPERATING SEGMENTAL INFORMATION

June 2025*	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter-segment or unallocated	Total Group
Statement of profit or loss and other comprehensive income							
Revenue	5 744	873	1 465	968	506	(383)	9 173
Retail sales	5 658	871	1 464	967	505	(358)	9 107
Gross profit	1 257	151	256	120	98	11	1 893
Operating profit/(loss) (EBIT)	(29)	(9)	41	(18)	21	312	318
<i>Add back</i>							
Depreciation and amortisation	182	25	21	32	24	11	295
Impairment losses	7	-	-	-	-	-	7
Impairment losses - Zimbabwe loan	339	-	-	-	-	(339)	-
EBITDA	499	16	62	14	45	(16)	620
Adjustments to EBITDA	3	-	32	-	-	14	49
Profit on disposal of plant and equipment	(1)	-	(1)	-	-	-	(2)
Movement in credit loss allowance	4	-	-	-	-	-	4
Diesel costs to mitigate load-shedding	-	-	35	-	-	-	35
Foreign exchange (gains) on lease liability	-	-	(2)	-	-	-	(2)
Loss on sale of business	-	-	-	-	-	14	14
Adjusted EBITDA	502	16	94	14	45	(2)	669
Operating profit/(loss) (EBIT)	(29)	(9)	41	(18)	21	312	318
Adjustments to EBITDA as above	3	-	32	-	-	14	49
Impairment losses	346	-	-	1	-	(328)	19
Adjusted EBIT	320	(9)	73	(17)	21	(2)	386
Statement of financial position							
Assets	1 603	290	444	248	170	180	2 935
Liabilities	1 605	232	289	185	339	61	2 711

* Comparative numbers have been re-presented in accordance with the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year

June 2024*	Botswana	Namibia	Zambia	Liquorama	Choppies	Rest of segment or unallocated	Inter- segment or unallocated	Total Group
Statement of profit or loss and other comprehensive income								
Revenue								
Revenue	5 141	613	1 303	855	434	(345)	8 001	
Retail sales	5 078	612	1 302	854	431	(337)	7 940	
Gross profit	1 122	100	205	119	76	(1)	1 621	
Operating profit/(loss) (EBIT)								
Add back								
Depreciation and amortisation	170	19	26	27	24	(3)	263	
Impairment losses	-	-	-	-	-	-	-	
Impairment losses - Zimbabwe loan	-	-	-	-	-	-	-	
EBITDA	462	5	53	41	37	-	598	
Adjustments to EBITDA								
Profit on disposal of plant and equipment	(1)	-	26	-	(16)	-	-	9
Movement in credit loss allowance	(2)	-	-	-	-	-	-	(2)
Diesel costs to mitigate load-shedding**	1	-	-	-	-	-	-	1
Foreign exchange (gains) on lease liability	-	-	9	-	-	-	-	9
Loss on sale of business	-	-	17	-	-	-	-	17
Adjusted EBITDA	461	5	79	41	21	-	607	
Operating profit/(loss) (EBIT)								
Adjustments to EBITDA as above	292	(14)	27	14	13	3	335	
Impairment losses	(1)	-	26	-	(16)	-	-	9
Adjusted EBIT	291	(14)	53	14	(3)	3	344	
Statement of financial position								
Assets	1 578	271	324	274	254	126	2 827	
Liabilities	1 613	220	239	141	357	121	2 691	

* Comparative numbers have been re-presented in accordance with the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year

** Diesel costs for FY2024 are now shown as part of adjustments to EBITDA for comparability

COMMENTARY

1. Nature of business

Choppies Enterprises Limited (“Choppies” or “the Company” or “the Group”) is a Botswana-based investment holding company operating in the retail sector in southern Africa. Dual-listed on the Botswana Stock Exchange (“BSE”) and Johannesburg Stock Exchange (“JSE”), its operations include food, liquor and general merchandise retailing as well as milling and manufacturing and financial services transactions supported by centralised distribution channels through distribution and logistical support centres.

Each week, approximately 2.5 million customers visit 287 stores across seven formats in three countries. With annual revenue exceeding BWP9 billion, Choppies employs over 11 000 people and competes against retailers, wholesalers, and the informal market in both rural and urban Africa.

2. Basis of preparation and accounting policies

The condensed consolidated financial results and financial position of the Group are extracted from the Audited Group Annual Financial Statements prepared in accordance with the requirements of the BSE Limited (“BSE Listings Requirements”) and JSE Limited (“JSE Listings Requirements”), as well as the requirements of the Botswana Companies Act, as amended.

The reports have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards (“IFRS Accounting Standards”).

The accounting policies used in the preparation of the condensed consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous year. The methods of computation are consistent with those of the previous annual financial statements, except as described below.

Comparative numbers have been re-presented in accordance with the application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year.

Any investment or similar decisions by stakeholders should be based on considering the complete Group annual financial statements, which are available on the Group’s website under Investor Relations and the BSE and JSE News Services.

Use of adjusted measures

Adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”) and adjusted earnings before interest and tax (“EBIT”) in the operating segmental information are EBITDA or EBIT excluding foreign exchange rate differences on IFRS 16 *Lease Liabilities*, cost of diesel to mitigate load-shedding, expected credit loss (“ECL”) movement, profit or loss on sale of assets, and income or expenditure of a capital nature.

The adjusted measures are shown as management believes them to be relevant to the understanding of the Group’s financial performance. This measure is used for internal performance analysis and provides additional useful information on underlying trends to equity holders. This measure is not a defined term under IFRS Accounting Standards and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS Accounting Standards.

3. Directors’ responsibility for the consolidated financial statements

The directors are responsible for the preparation of the audited condensed Group financial results and financial position of the Company in accordance with BSE and JSE Listings Requirements and the Companies Act of Botswana.

4. Going concern

The Board evaluated the going concern assumption up to the date of signing of the Group financial statements, considering the current financial position and its best estimate of the cash flow forecasts and deemed it to be appropriate in the presentation of the consolidated annual financial statements.

The Board has reviewed the cash flow forecast for the next 12 months as prepared by management and is of the opinion that the Group has more than sufficient liquidity to support its working capital requirements adequately and, consequently, is satisfied with the Group’s ability to continue as a going concern for the foreseeable future.

The Board is satisfied that the Group is a going concern and therefore continues to apply the going concern assumption in the preparation of the financial statements.

5. Group results

Statement of profit or loss and segmental report

Revenue has been disaggregated as follows:

	June 2025	June 2024
Revenue (BWPm)		
Sales of merchandise and liquor	9 173	8 001
Milling and manufacturing	9 153	7 846
Commission received on financial services	312	431
Rental income	45	37
Transportation income	5	4
Miscellaneous income	12	14
Inter-segmental sales	4	5
Pre-acquisition revenue	(358)	(279)
	-	(57)

The Group sold the assets of the Zimbabwean segment in December 2024. The general merchandise business, South African liquor business and Mediland business were discontinued during the June 2024 financial year.

The commentary below further explains the performance of the Group and its continuing segments.

The Group's retail sales increased by 14.7% to BWP9 107 million (2024: BWP7 940 million), driven by 30 new stores, inflation and volume growth. Choppies segments saw volume growth of 8.7% and achieved price growth of 5.1%, while sales for like-for-like stores increased by 8.6%.

The gross profit margin improved by 40 basis points to 20.8% (2024: 20.4%), due to improved margins in all segments except Liquorama. The Liquorama gross profit rate reduced from 13.9% last year to 12.4% as we faced heightened competition from both liquor retailers and wholesalers, while illicit liquor imports hampered margin expansion.

In Pula terms, gross profit increased by 16.8% to BWP1 893 million (2024: BWP1 621 million) despite the competitive and challenging economic environment.

Expenses increased by 21.8% due to new stores, inflation, the loss on the sale of the Zimbabwe segment and impairment losses.

Operating profit (EBIT) decreased by 5.1% from BWP335 million to BWP318 million. However, adjusted EBIT increased by 12.2% from BWP344 million to BWP386 million.

Net finance costs in FY2024 included a credit of BWP6.5 million relating to the Kamoso acquisition. Excluding this, net interest reduced from BWP112 million in the prior year to BWP100 million.

The reduction was due to lower debt offset by higher interest on leases as a result of new stores.

The effective tax rate of 30.7% (2024: 14.8%) is higher than the standard rate primarily due to losses in Namibia for which we have not yet raised any deferred tax, and non-deductible loss on the sale of Zimbabwe. Last year's rate was lower than the standard rate due to deferred tax raised on carried forward tax losses in the Zambia segment.

Statement of financial position and cash flows

The Group reduced non-IFRS 16 debt by BWP89 million despite investing BWP281 million in new stores and logistics. Negative working capital increased from BWP322 million in the prior year to this year's BWP485 million, strengthening liquidity.

Group funding covenants were complied with, and the Group has sufficient headroom in the covenants to cushion any shocks.

We are being thoughtful and balanced about inventory levels by category and expenditure as we work and position ourselves for the next year. Year-end payables are higher than last year due to growth in sales and new stores.

6. Operational overview

Choppies Botswana

Sales from Botswana increased by 11.4% with like-for-like sales growth of 7.1%, as the business continued to show strong resilience in an increasingly challenging economic environment. Sales increased to BWP5 658 million (2024: BWP5 078 million), supported by volume growth of 6.9%, price inflation of 4.0% and eight new stores.

EBITDA and adjusted EBITDA increased 8.0% and 8.9% respectively, as gross profit increased more slowly than costs. The gross profit rate marginally improved compared to the prior year by 10 basis points.

COMMENTARY continued

New stores and inflation drove costs. The new stores that opened over the last 12 months will need time to reach their full potential.

Overall, we are pleased with the strong performance resulting from good in-store execution, improved customer engagement and enhanced availability due to the inventory optimisation. We are continuing to manage pricing aligned to competitive price gaps.

Our 20th anniversary promotion in October significantly boosted store traffic and customer engagement.

The introduction of a living wage in this segment will place modest short-term pressure on profitability but is expected to strengthen long-term employee retention and brand reputation.

Choppies Namibia

Namibia experienced sales growth of 42.3% and like-for-like sales growth of 33.06%.

EBITDA grew 220.0% and EBIT reduced from a loss of BWP14 million in the prior year to a loss this year of BWP9 million.

As the new stores reach full potential, profitability has improved. There has been a marked improvement in the gross profit rate as we are more precise in our promotional activity, and the implementation of our

inventory optimisation system was completed during the year. We will start seeing the benefits of better managed availability in the future.

Choppies Zambia

Zambia continues to perform very well with sales growth of 12.4% in Pula value, equating to an increase of 26.7% in Kwacha value and like-for-like sales growth of 2.8% in Pula value and like-for-like sales growth of 15.8% in Kwacha value. Nine new stores were opened during the year, and one store was closed.

The Kwacha has experienced a 13% decline against the Pula since the end of last year, primarily due to a drop in metal prices and production in this copper-producing nation. The recent droughts are a challenge for power generation. The segment spent BWP35 million (2024: BWP9 million) on diesel costs.

In Pula terms, adjusted EBITDA increased 19.0% and adjusted EBIT was up 37.7%.

Choppies Zimbabwe – discontinued segment

In December 2024, the segment's net assets were sold, and the Group no longer trades in Zimbabwe. The buyer is a leading supermarket retailer in the southern region of Zimbabwe.

Choppies Zimbabwe

	Year ended 30 June 2025	Year ended 30 June 2024
Revenue	262	541
Gross profit	55	124
Other income	2	3
Expenses	(93)	(180)
Foreign exchange gains on Zimbabwean legacy debt receipts	16	55
Loss on sale of business	(14)	-
Loss on lease modifications and terminations	(8)	-
Net impairment losses	(4)	(15)
Net interest	-	(9)
Tax	-	(9)
Net loss after tax	(46)	(31)

Net cash inflows/outflows attributable to discontinued operations

Operating activities	(11)	44
Investing activities	13	(3)
Financing activities	(12)	(27)
Net (increase)/decrease in cash generated	(10)	14

At the date of disposal, the segment net assets were as follows:

Property, plant and equipment	28	-
Inventories	20	-
Trade and other payables	(34)	-
Proceeds	-	-
Loss on sale of business	14	-

Choppies Botswana – Liquorama segment

Sales increased 13.2% driven by 10 new stores and volume growth. Like-for-like sales grew by 4.1%. The gross profit rate decreased from 13.9% the prior year to 12.4% this year due to increased competition from both liquor retailers and wholesalers, as well as illicit liquor imports hampering margin expansion. We invested in promotions to improve footfall and reduce slow-moving inventory. The current antiquated systems impact effective inventory management and promotional activities, and these are in the process of being upgraded.

EBITDA reduced by 65.9% and EBIT reduced to a loss of BWP18 million (2024: profit of BWP14 million), attributable to the lower gross profit rate and higher costs due to inflation and new store costs.

We anticipate stronger results going forward as we are more precise in our promotional activity and inventory availability, and new stores will be closer to their full potential. Systems upgrades are underway to support recovery.

Rest of Choppies' segment

The rest of Choppies' segments include the milling, manufacturing and hardware businesses. The milling and manufacturing businesses are profitable. The hardware segment losses narrowed from BWP23 million to BWP18 million, and turnaround efforts are expected to yield profitability within 18 months.

The hardware business experienced poor inventory availability and loss of customers in the three years leading up to the acquisition. Lack of cash flow and credit lines hampered the procurement of the proper inventory during these three years. It will take another 12 to 18 months to turn around this business, including opening new stores and expanding into other countries in which Choppies currently operates.

Overall, the rest of Choppies' segment increased adjusted EBIT from a loss of BWP3 million in the last year to a profit of BWP21 million this year.

7. Related-party transactions

Related-party purchases amounted to BWP445 million (2024: BWP431 million).

8. Events after the reporting date

The corporate tax rate in Botswana will increase from 22.0% to 23.5% with effect from the June 2026 financial year. The effect on deferred tax will be adjusted for those deferred tax benefits or

deductions expected to be obtained or incurred during the June 2026 financial year. The impact on the June 2026 opening balance will be an approximately BWP2 million increase in net liabilities.

We expect continued uncertainty in our business and the southern African economy due to the duration and intensity of global credit conditions, impact of tariffs, the devaluation of the Pula, military conflicts in the Middle East and Ukraine, slower economic growth, surging prices for energy and commodities, renewed supply-chain disruption, financial market volatility, volatility in employment trends and consumer confidence, all of which may impact our results.

9. Changes to Board members

Mr Andrew Dondo Mogajane resigned as a Non-executive Director of the Company with effect from 4 November 2024, for personal reasons.

Ms Natalie Graaff has been appointed as a Non-executive Director of the Company with effect from 20 January 2025.

10. Outlook

The Group expects continued resilience in core markets despite external challenges, including regional currency volatility, inflationary pressures and global uncertainty. Strategic priorities remain:

- ▶ Consolidating profitability in Botswana, Namibia, and Zambia
- ▶ Completing the turnaround of hardware and Liquorama
- ▶ Maintaining financial discipline and covenant headroom
- ▶ Advancing environmental, social, and governance ("ESG") initiatives.

The Board remains confident that Choppies is positioned for sustainable growth and improved shareholder returns.

11. Distribution to shareholders – ordinary dividend number 10

An interim cash dividend (number 09) of 1.6 thebe per share was paid on 8 May 2025. The Board has declared a final dividend (number 10) of 0.6 thebe per share, payable on 5 November 2025, thus bringing the total dividend for the year to 2.2 thebe (2024: 3.0 thebe) per ordinary share.

In accordance with the Company's dividend policy, a dividend cover of three will be maintained. The dividend has been declared out of income reserves.

COMMENTARY continued

The dividend is lower than last year due to losses in Zimbabwe, lower profitability resulting from higher diesel costs, higher new store costs and a higher tax rate.

The salient dates and tax implications in respect to shareholders registered on the BSE are detailed below:

2025	
Declaration date	Monday, 22 September
Last day to trade cum dividend	Tuesday, 21 October
Trading ex-dividend commences	Wednesday, 22 October
Record date	Friday, 24 October
Dividend payment date	Wednesday, 5 November

In terms of the dividends tax, the following additional information is disclosed:

- ▶ The local dividend tax rate is 10%
- ▶ The net local dividend amount is 0.6 thebe per share for shareholders exempt from paying dividends tax and 0.54 thebe per share for shareholders liable to pay dividends tax
- ▶ The issued ordinary share capital of the Company as at the date of this declaration is 1 824 461 674 ordinary shares.

The salient dates in respect of shareholders registered on the JSE are detailed below:

2025	
Declaration date	Monday, 22 September
Currency determination date	Tuesday, 7 October
Currency conversion rates announced (finalisation announcement)	Wednesday, 8 October
Last day to trade cum dividend	Tuesday, 21 October
Trading ex-dividend commences	Wednesday, 22 October
Record date	Friday, 24 October
Dividend payment date	Wednesday, 5 November



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