

CHOPPIES

CHOPPIES ENTERPRISES LIMITED

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2025

Choppies Enterprises Limited

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Retail sales - supermarket
Directors	R Ottapathu - CEO D K U Corea - Chairman F E Ismail C J Harward V Chitalu R P De Silva N Graaff (Appointed 20 January 2025) D Mogajane (Resigned 4 November 2024)
Registered office	Plot 28892 Twin towers Fairgrounds Office Park Gaborone Botswana
Business address	Plot 169 Gaborone International Commerce Park Gaborone Botswana
Postal address	Private Bag 00278 Gaborone Botswana
Bankers	Absa Bank of Botswana Limited Absa Bank Kenya Plc Absa Bank South Africa Limited Absa Bank Zambia Plc Bank Windhoek Limited - Namibia First Capital Bank Botswana Limited First National Bank Botswana Limited Stanbic Bank Botswana Limited
Auditors	Forvis Mazars
Secretary	BP Consulting Services (Proprietary) Limited
Company registration number	BW00001142508

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Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

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Choppies Enterprises Limited

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Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Choppies Enterprises Limited, comprising the statements of financial position as at 30 June 2025 and the statements of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year ended 30 June 2025, the accounting policies and the notes to the financial statements, in accordance with IFRS® Accounting Standards, the Botswana Stock Exchange, Johannesburg Stock Exchange Listings Requirements and requirements of the Botswana Companies Act.

The directors are also responsible for such internal controls they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. In addition, the directors are responsible for the preparation and presentation of the other information accompanying the financial statements.

The directors have assessed the ability of the Company and its subsidiaries to continue as going concerns (refer to note 43) and, based on management's assessment, have no reason to believe these businesses will not be going concerns in the year ahead.

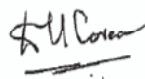
The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the IFRS Accounting Standards.

Approval of the consolidated and separate financial statements

Having considered the unmodified audit opinion of the auditors as set out on pages 4 to 8, for the year 30 June 2025, the Board of directors approved the consolidated and separate financial statements of Choppies Enterprises Limited, as identified in the first paragraph, on 17 September 2025 and these are signed on their behalf by:



R Ottapathu
Chief Executive Officer



D K U Corea
Chairman

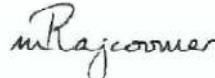
Chief Executive Officer and Chief Financial Officer Responsibility Statement

The members of management, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 9 to 78, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- 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;
- 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 annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executives with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit 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
- we are not aware of any fraud involving directors.



R Ottapathu
Chief Executive Officer



M Rajcoomar
Chief Financial Officer

17 September 2025

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.

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	How the matter was addressed in the audit
Accounting for supplier rebate income <p>This key audit matter relates to 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
Goodwill impairment <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.

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

Date: 20 September 2025
Gaborone

Choppies Enterprises Limited

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula million	Note(s)	Group		Company	
		2025	2024*	2025	2024
Continuing operations					
Revenue	4	9 173	8 001	-	-
Retail sales	4	9 107	7 940	-	-
Cost of sales	5	(7 214)	(6 319)	-	-
Gross profit		1 893	1 621	-	-
Other operating income	4	66	61	-	-
Profit on disposal of plant and equipment	6	2	3	-	-
Expected credit loss movement	7	(4)	(1)	(17)	-
Administrative expenses	8	(1 400)	(1 172)	(3)	(2)
Selling and distribution expenses	9	(53)	(37)	-	-
Foreign exchange gains/(losses) on lease	7	2	(17)	-	-
Impairment losses	7	(7)	-	-	-
Other operating expenses	10	(167)	(139)	-	-
(Loss)/Profit on sale of business	6	(14)	16	-	-
Operating profit/(loss)	7	318	335	(20)	(2)
Finance income	11	1	4	-	-
Finance costs	12	(101)	(109)	-	-
Profit/(loss) before taxation		218	230	(20)	(2)
Taxation	13	(67)	(34)	-	-
Profit (loss) from continuing operations		151	196	(20)	(2)
Discontinued operations					
Loss from discontinued operations	41	(56)	(60)	-	-
Profit/(loss) for the year		95	136	(20)	(2)
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	18	(35)	-	-	-
Hyper Inflation reserve reclassified to profit or loss on disposal of the Zimbabwe segment	(312)	-	-	-	-
Foreign currency on translation reserves reclassified to profit or loss on disposal of the Zimbabwe segment		337	-	-	-
Total items that may be reclassified to profit or loss		43	(35)	-	-
Other comprehensive loss for the year net of taxation		43	(35)	-	-
Total comprehensive income/(loss) for the year		138	101	(20)	(2)
Profit/(loss) attributable to:					
Owners of the parent	97	138	(20)	(2)	
Non-controlling interest	(2)	(2)	-	-	
Profit/(loss) attributable to:		95	136	(20)	(2)

*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, the South African liquor business and the Mediland business were discontinued during the June 2024 financial year.

Choppies Enterprises Limited

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula million	Note(s)	Group		Company		
		2025	2024*	2025	2024	
Profit (loss) attributable to:						
Owners of the parent:						
From continuing operations		153	190	(20)	(2)	
From discontinued operations		(56)	(52)	-	-	
		97	138	(20)	(2)	
Non-controlling interests:						
From continuing operations		(2)	5	-	-	
From discontinued operations		-	(7)	-	-	
		(2)	(2)	-	-	
Total comprehensive income/(loss) attributable to:						
Owners of the parent		140	106	(20)	(2)	
Non-controlling interests		(2)	(5)	-	-	
		138	101	(20)	(2)	
Basic earnings per share - thebe						
Continuing operations	14	8.4	10.5	-	-	
Discontinued operations	14	(3.1)	(2.9)	-	-	
		5.3	7.6	-	-	
Diluted earnings/(loss) per share - thebe						
Continuing operations	14	8.3	10.3	-	-	
Discontinued operations	14	(3.1)	(2.9)	-	-	
		5.2	7.4	-	-	

*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, the South African liquor business and the Mediland business were discontinued during the June 2024 financial year.

Choppies Enterprises Limited

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Pula million	Note(s)	Group		Company		
		2025	2024	2025	2024	
Assets						
Non-Current Assets						
Property, plant and equipment	15	908	754	-	-	
Right-of-use assets	16	712	754	-	-	
Goodwill	17	110	108	-	-	
Intangible assets	18	9	7	-	-	
Investment in subsidiaries	20	-	-	451	74	
Amounts due from related parties	22	41	40	-	-	
Investments in new projects	19	40	9	-	-	
Deferred tax	31	27	32	-	-	
		1 847	1 704	451	74	
Current Assets						
Inventories	21	644	664	-	-	
Amounts due from related entities	22	9	3	223	427	
Advances and deposits	23	76	71	-	-	
Trade and other receivables	24	177	165	1	1	
Taxation refundable		12	14	-	-	
Cash and cash equivalents	25	170	206	4	4	
		1 088	1 123	228	432	
Total Assets		2 935	2 827	679	506	
Equity and Liabilities						
Equity						
Stated capital	26	1 207	1 207	1 207	1 207	
Treasury shares	27	(28)	(32)	-	-	
Hyper inflationary reserve		-	312	-	-	
Foreign currency translation reserve	28	(359)	(714)	-	-	
Accumulated loss		(469)	(512)	(777)	(702)	
		351	261	430	505	
Non-controlling interest	20	(127)	(125)	-	-	
		224	136	430	505	
Liabilities						
Non-Current Liabilities						
Long term borrowings	29	112	243	-	-	
Lease liabilities	30	636	736	-	-	
Deferred tax liabilities	31	42	33	-	-	
		790	1 012	-	-	

Choppies Enterprises Limited

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Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Pula million	Note(s)	Group		Company	
		2025	2024	2025	2024
Current Liabilities					
Trade and other payables	33	1 360	1 202	2	1
Amounts due to related entities	32	28	23	247	-
Long term borrowings	29	152	104	-	-
Lease liabilities	30	266	241	-	-
Taxation payable		30	28	-	-
Bank overdraft	25	85	81	-	-
		1 921	1 679	249	1
Total Liabilities		2 711	2 691	249	1
Total Equity and Liabilities		2 935	2 827	679	506

Choppies Enterprises Limited

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Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity

	Stated capital	Treasury shares	Foreign currency translation reserve	Hyper inflationary translation reserve	Accumulated loss	Total attributable to equity holders of the Group / Company	Non-controlling interest	Total equity
Figures in Pula million								
Group								
Balance at 01 July 2022	1 207	(32)	(682)	312	(664)	141	(99)	42
Profit for the year	-	-	-	-	138	138	(2)	136
Other comprehensive income	-	-	(32)	-	-	(32)	(3)	(35)
Total comprehensive income for the year	-	-	(32)	-	138	106	(5)	101
Acquisition of Kamoso Africa Group	-	-	-	-	22	22	(26)	(4)
Disposal of subsidiary	-	-	-	-	15	15	5	20
Share-based payments	-	-	-	-	6	6	-	6
Dividends - note 35	-	-	-	-	(29)	(29)	-	(29)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	14	14	(21)	(7)
Balance at 01 July 2024	1 207	(32)	(714)	312	(512)	261	(125)	136
Profit for the year	-	-	-	-	97	97	(2)	95
Other comprehensive income	-	-	355	(312)	-	43	-	43
Total comprehensive income for the year	-	-	355	(312)	97	140	(2)	138
Share-based payments	-	4	-	-	1	5	-	5
Dividends - note 35	-	-	-	-	(55)	(55)	-	(55)
Balance at 30 June 2025	1 207	(28)	(359)	-	(469)	351	(127)	224
Note(s)	26	27	28					

Choppies Enterprises Limited

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity

	Stated capital	Accumulated loss	Total attributable to equity holders of the Group / Company	Total equity
Figures in Pula million				
Company				
Balance at 01 July 2023	1 207	(671)	536	536
Loss for the year	-	(2)	(2)	(2)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	(2)	(2)	(2)
Dividends - note 35	-	(29)	(29)	(29)
Total contributions by and distributions to owners of company recognised directly in equity	-	(29)	(29)	(29)
Balance at 01 July 2024	1 207	(702)	505	505
Loss for the year	-	(20)	(20)	(20)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	(20)	(20)	(20)
Dividends - note 35	-	(55)	(55)	(55)
Balance at 30 June 2025	1 207	(777)	430	430

Note(s)

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Choppies Enterprises Limited

(Registration number BW00001142508)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Cash Flows

Figures in Pula million	Note(s)	Group		Company	
		2025	2024*	2025	2024
Cash flows from operating activities					
Profit (loss) before taxation		218	230	(20)	(2)
Adjustments for:					
Depreciation and amortisation	7	288	263	-	-
Profit on disposals of plant and equipment	6	(2)	(3)	-	-
Loss on sale of Zimbabwe		14	-	-	-
Finance income		(1)	(4)	-	-
Finance costs	12	101	109	-	-
Foreign exchange gains/(losses) on lease liability		(2)	17	-	-
Share based payments		5	6	-	-
Expected credit loss		-	-	17	-
Changes in working capital:					
Movement in inventories		21	(87)	-	-
Movement in trade and other receivables		(12)	4	(17)	(1)
Movement in advances and deposits		(5)	-	-	-
Movement in amount due from related entities		(6)	1	204	37
Movement in trade and other payables		154	177	1	(4)
Movement in amount due to related entities		6	(9)	(130)	-
Cash generated from operations		779	704	55	30
Interest income		1	4	-	-
Dividends - note 35		(55)	(29)	(55)	(29)
Tax paid		(45)	(45)	-	-
Net cash from operating activities		679	634	-	1
Cash flows from investing activities					
Purchase of property, plant and equipment	15&19	(281)	(159)	-	-
Proceeds on disposal of property, plant and equipment		3	12	-	-
Purchase of other intangible assets	18	(4)	(2)	-	-
Discontinued operations	41	(34)	1	-	-
Acquisitions net of cash on acquisition	40	(13)	(119)	-	-
Net cash from investing activities		(329)	(267)	-	-
Cash flows from financing activities					
Financing obtained from third parties	34	36	121	-	-
Capital payments of borrowings	34	(92)	(153)	-	-
Lease capital payments - right-of-use assets	34	(248)	(235)	-	-
Interest paid on borrowings		(92)	(112)	-	-
Net cash from financing activities		(396)	(379)	-	-

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Statement of Cash Flows

Figures in Pula million	Note(s)	Group		Company	
		2025	2024*	2025	2024
Total cash movement for the year		(46)	(12)	-	1
Cash at the beginning of the year		125	143	4	3
Effect of foreign currency translation on foreign currency balances		6	(6)	-	-
Total cash at end of the year	25	85	125	4	4

*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, the South African liquor business and the Mediland business were discontinued during the June 2024 financial year.

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Corporate information

Choppies Enterprises Limited (CEL, the Company) is a public limited company incorporated and domiciled in the Republic of Botswana and listed on the Botswana Stock Exchange. The Company has a secondary listing on the Johannesburg Stock Exchange. The Company registration number is BW00001142508. The consolidated and separate annual financial statements comprise the Company and its subsidiaries (collectively referred to as "the Group").

The business of the Group is concentrated in the retail supermarket industry.

1. Material accounting policy information

The consolidated and separate annual financial statements ("the financial statements") are prepared in accordance with the IFRS; Accounting Standards, the Botswana Companies Act, the Botswana Stock Exchange Listings, the Johannesburg Stock Exchange Listings requirements.

1.1 Basis of preparation

The Group and Company financial statements are presented in Botswana Pula, which is also the functional currency of the Company and the presentation currency of the Group. All amounts have been rounded to nearest millions, except where otherwise stated.

Certain individual companies in the Group have different functional currencies and are translated on consolidation.

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The financial statements incorporate the following accounting policies which are consistent with those applied in the previous year, except as otherwise indicated.

Judgements made by the board in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in significant judgements and sources of estimation uncertainty in note 1.22

1.2 Consolidation

Basis of consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Transaction costs are expensed as incurred except if it refers to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment (refer to note 17).

Goodwill

All goodwill is acquired through business combinations and initially measured as the excess of cost over the net fair value of the identifiable assets and liabilities acquired.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to the individual cash-generating units and is tested annually for impairment. An impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of the assets and liabilities of the unit including goodwill or the fair value less the cost of disposal of the cash-generating unit exceeds the carrying amount of the unit containing the goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified. An impairment loss in respect of goodwill is not reversed.

Investment in subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiaries are measured at cost less accumulated impairment losses in the Company financial statements.

Transactions elimination on consolidation

Intragroup balances, and income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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1.2 Consolidation (continued)

Non-controlling interest ("NCI")

NCIs are viewed as equity participants of the Group and all transactions with NCIs are therefore accounted for as equity transactions and included in the Group statement of changes in equity.

NCIs are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in Group's interests in subsidiaries

Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	Over the lease term
Plant and machinery	Straight line	5 - 25 years
Furniture and fixtures	Straight line	10 - 14 years
Motor vehicles	Straight line	5 - 15 years
Office equipment	Straight line	5 - 15 years
Aircraft	Straight line	30 years
Computer hardware and accessories	Straight line	5 - 8 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Investments in new projects

Investments in new projects relates to capital expenditure incurred with regard to new stores to be opened in the following financial year. Investments in new projects is stated at cost. The amounts are transferred to respective asset classes when the assets are available for their intended use. Depreciation commences when the assets are ready for their intended use.

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1.4 Intangible assets

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 - 10 years

1.5 Impairment of non-financial assets

The carrying values of non-financial assets (except for deferred tax assets and inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non-financial assets, such as goodwill, which have indefinite useful lives and are not subject to depreciation or amortisation, or that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised.

1.6 Leases

Group as lessee

At inception of the contract the Group considers whether a contract is, or contains a lease.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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1.6 Leases (continued)

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets (BWP 60 000) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15, using relative standalone selling prices for the different components.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Operating lease income is included in other income (note 4).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

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1.7 Financial instruments (continued)

Financial liabilities:

- Amortised cost

Note 39 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Amounts due from related entities at amortised cost

Classification

Amounts due from related entities (note 22) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these amounts due from related parties 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 amounts.

Recognition and measurement

Amounts due from related parties are recognised when the Group becomes a party to the contractual provisions of the amounts due. Amounts due from related parties are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the amounts due from related parties initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

A loss allowance is recognised for all amounts due from related entities recognised in terms of IFRS 15, in accordance with IFRS 9 Financial Instruments by applying the simplified approach, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

The Mediland loan (note 22) resulted on sale of Mediland to related third parties and a loss allowance is recognised for all amounts due, in accordance with IFRS 9 Financial Instruments by applying the general approach.

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1.7 Financial instruments (continued)

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan installment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries/reversals made are recognised in the statement of profit or loss and other comprehensive income as a movement in credit loss allowance (note 7).

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

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1.7 Financial instruments (continued)

For amounts due from related parties measured using the simplified approach, the Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on these receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the related party, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 7).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 39).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in impairment.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 24).

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 transaction price in accordance with IFRS 15.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

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1.7 Financial instruments (continued)

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating expenses (note 7).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 24).

Expected credit losses

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 24.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in profit or loss as a movement in credit loss allowance (note 7).

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 24) and the financial instruments and risk management note (note 39).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss.

Borrowings and loans from related parties

Classification

Amounts due to related entities (note 32) and borrowings (note 29) are classified as financial liabilities subsequently measured at amortised cost.

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Accounting Policies

1.7 Financial instruments (continued)

Recognition and measurement

Borrowings and loans from related parties 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.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 12.)

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 33), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain imputed interest, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 12).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses)/gains (note 7).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 39).

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms. Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with IFRS 15 Revenue from contracts with customers.

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Accounting Policies

1.7 Financial instruments (continued)

With reference to Note 29, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of recognising the financial guarantee liability. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the amounts disclosed in the maturity analysis in note 40.

Refer to note 36.3 for details of financial guarantee contracts.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which is deemed to be fair value due to their short term nature.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts, which are repayable on demand and form an integral part of the Company's cash management, are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 Inventories

Inventories comprise merchandise for resale and consumables. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

The cost of inventories is based on the weighted average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, including distribution costs, and is stated net of relevant purchase incentives. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

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Accounting Policies

1.9 Tax and deferred taxation

Deferred tax assets and liabilities

Deferred taxation is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is recognised in the profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income, (in which case it is recognised directly in equity or other comprehensive income) or a business combination. The effect on deferred tax of any changes in tax rates is recognised in the statement of profit or loss, except to the extent that it relates to items previously recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improve. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Tax expenses

Taxation comprises current and deferred taxation. Taxation is recognised in the profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income. Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, after taking account of income and expenditure which is not subject to taxation, and any adjustment to tax payable/refundable in respect of previous years.

Dividends withholding tax

Dividends withholding tax is a tax on shareholders and is applicable on all dividends declared. Withholding tax applicable in Botswana for both residents and non-residents is 10%. Dividends payable to non-exempt shareholders registered on the Johannesburg Stock Exchange are subject to 20% withholding tax in accordance with the South African Income Tax Act 58 of 1962, unless varied in accordance with any relevant Double Tax Agreement.

1.10 Stated capital and equity

Ordinary shares (with no par value) are classified as stated capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary shares are classified as equity.

Other components of equity include the following:

- Foreign currency translation reserve - comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Botswana Pula.
- Retained (loss) profit - includes all current and prior period retained (loss) profits.
- Treasury shares - refer to accounting policy 1.11
- Hyperinflationary reserve - this is the effect of all components of shareholders equity that are restated by applying a general price index from the beginning period or dates on which those items arose.
- Share based payments expenses related to equity - settled transactions are recorded in retained earnings - refer to note 27.

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Accounting Policies

1.11 Treasury shares

Treasury shares are held by Choppies Distribution Centre (Pty) Limited and these are presented as a deduction from equity. Dividend income on treasury shares are eliminated on consolidation.

1.12 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Employee entitlements to annual leave, bonuses, medical aid and housing benefits are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date.

Severance benefits

Employees who are not members of an approved pension scheme or entitled to gratuities per their employee contracts, are entitled to severance benefits as regulated by the Botswana Labour Laws. An accrual is recognised for the estimated liability for services rendered by the employees up to reporting date, this is related to other long term employee benefits.

Gratuity

The Group operates a gratuity scheme for expatriates in terms of employment contracts and a gratuity is not considered to be a retirement benefit plan as the benefits are payable on completion of the employment contract period of continuous employment or on termination of employment at the option of the employee. The expected gratuity liability is provided in full by way of accrual.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to approved defined contribution plans are recognised as personnel expenses in the profit or loss in the periods during which the related services were rendered.

1.13 Revenue from contracts with customers

Revenue arises mainly from the sale of goods. Revenue is measured based on the transaction price specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or goods to a customer, generally upon the customer collecting the goods.

The Group often enters into transactions involving a range of the Company's products and goods, for example for the sale of consumer goods. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Payment terms in contract with customers range from seven days to thirty days.

Revenue is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods to its customers. The Group does not consider the financing component since the transfer of goods and related payments are not more than 12 months apart.

1.14 Translation of foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Botswana Pula at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities designated in foreign currencies are subsequently translated to Botswana Pula at the foreign exchange rate ruling at the reporting date. Non-monetary assets and liabilities are consistently translated at rates of exchange ruling at acquisition dates. Foreign exchange differences arising on translation are recognised in profit or loss.

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Accounting Policies

1.14 Translation of foreign currencies (continued)

Foreign operations

The assets and liabilities of foreign operations, which are not entities operating in a hyperinflationary economy, including goodwill and fair value adjustments arising on acquisition, are translated at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at the weighted average rate of exchange for the year, except to the extent that the translation differences are allocated to NCI. Profits or losses arising on the translation of assets and liabilities of foreign entities are recognised in other comprehensive income and presented within equity and shown separately in a foreign currency translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

1.15 Agency fees and commission

Commission from rendering of financial services and agency services is recognised over time as the services are provided in accordance with the terms of the agency agreement and is included in other income.

1.16 Rebates from suppliers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from those suppliers.

Rebates from suppliers is recognised when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract. The income is recognised as a credit within cost of sales. Where the income earned relates to inventories which are held by the Group at period ends, the income is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories.

Most of the income received from suppliers relate to adjustments to a core cost price of a product, and as such is considered part of the purchase price for that product. Sometimes receipt of the income is conditional on the Group achieving specified targets or performing certain activities associated with the purchase of the product. These include achieving agreed purchases or sales volume targets and providing promotional or marketing materials and activities or promotional product positioning.

Amounts due relating to rebates from suppliers are recognised within trade and other receivables, except in cases where the Group currently has a legally enforceable right of set-off and intends to offset amounts due from suppliers against amounts owed to those suppliers, in which case only the net amount receivable or payable is recognised. Accrued rebates are recognised within accrued income when rebates earned have not been invoiced at reporting date.

1.17 Finance income

Interest income is recognised as it accrues in profit or loss using the effective interest method.

1.18 Finance cost

Interest cost is recognised in profit or loss in the period in which these expenses are incurred using the effective interest method.

1.19 Operating segments

The Group discloses segmental financial information which is being used internally by the entity's Group chief executive officer ("CEO") identified as the chief operating decision maker, in order to assess performance and allocate resources. Operating segments, per geographical regions, are aggregated for reporting purposes. The aggregated businesses in each region have similar economic characteristics. They engaged in similar activities of retail trade.

1.20 Dividend per share

Dividends per share are calculated based on the dividends declared during the year compared to the number of ordinary shares in issue at the time of declaration.

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Accounting Policies

1.21 Basic earnings and Headline earnings per share

The Group presents basic and diluted earnings per share ("EPS") and headline earnings per share ("HEPS") information for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Headline earnings are calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants as required by the Johannesburg Stock Exchange Listings Requirements.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all ordinary shares with dilutive potential. Full share grants have dilutive potential. The full share grants are assumed to have been converted into ordinary shares. It has no effect on net profit and therefore no adjustment is made to net profit for full share grants.

1.22 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual 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

Expected credit loss on trade receivables

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period (refer to note 24).

Allowance for slow moving, damaged and obsolete inventory

The Group assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales note 5.

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, the Group determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

The Group assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, plant and equipment, office equipment, furniture and fixtures, motor vehicles, IT equipment, leasehold improvements and aircraft are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful lives of property, plant and equipment is assessed annually based on a combination of comparison to industry, assessment of operational plans and strategies, actual experience and taking cognisance of advice from external experts.

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Accounting Policies

1.22 Significant judgements and sources of estimation uncertainty (continued)

Use of adjusted measures

Adjusted EBITDA and Adjusted earnings before interest in the operating segmental information is excluding foreign exchange rate differences on IFRS 16 lease liabilities, cost of diesel to mitigate load-shedding, profit or loss on sale of assets, expected credit losses, as well as 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 provide 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.

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Operating segment information

Figures in Pula million

2. Segment results

Operating segments are identified based on financial information regularly reviewed by the Choppies Enterprises Limited Chief Executive Officer (identified as the chief operating decision maker of the Group for IFRS 8 reporting purposes) for performance assessments and resource allocations.

The Group has five continuing operating segments (2024: six) as described below, which are the Group's strategic divisions.

Performance is measured based on EBITDA, operating profit (EBIT), Adjusted EBITDA and Adjusted EBIT as the board believes that such information is the most relevant in evaluating the results of the segments against each other and other entities which operate within the retail industry.

Botswana, Namibia & Zambia – retail of fast-moving consumer goods in the respective country.

Liquorama – retail and wholesale liquor business in Botswana

Rest of Choppies – milling, manufacturing of tissue and bottled water, and hardware retail - aggregated as not meeting the 10% threshold.

30 June 2025 - BWP millions	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
Add Back							
Depreciation & 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 & equipment	(1)	-	(1)	-	-	-	(2)
Movement in credit loss allowance	4	-	-	-	-	-	4
Diesel cost 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

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Operating segment information

Figures in Pula million

*Adjusted EBITDA and adjusted EBIT in the operating segmental information is EBITDA and EBIT excluding foreign exchange rate differences on IFRS 16 lease liabilities, cost of diesel to mitigate load-shedding, profit or loss on sale of assets, expected credit losses as well as income or expenditure of a capital nature.

30 June 2024 - BWP millions	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter-segment or unallocated	Total Group
Statement of profit or loss and other comprehensive income							
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)	292	(14)	27	14	13	3	335
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	(1)	-	26	-	(16)	-	9
Profit on disposal of plant & equipment	(2)	-	-	-	-	-	(2)
Movement in credit loss allowance	1	-	-	-	-	-	1
Diesel costs to mitigate load-shedding	-	-	9	-	-	-	9
Foreign exchange losses on lease liability	-	-	17	-	-	-	17
Profit on sale of business	-	-	-	-	(16)	-	(16)
Adjusted EBITDA	461	5	79	41	21	-	607
Operating profit/(loss) (EBIT)	292	(14)	27	14	13	3	335
Adjustment to EBITDA above	(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, the South African liquor business and the Mediland business were discontinued during the June 2024 financial year.

Diesel costs are now shown as an adjustment to EBITDA for comparability.

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3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate annual financial statements.

The impact of the amendment is not material.

IFRS: S1 General Requirements for Disclosure of Sustainability-related Financial Information

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

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3. New Standards and Interpretations (continued)

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- the entity's strategy for managing sustainability-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

The effective date of the standard is for years beginning on or after 01 January 2024 and is optional.

The group has not yet adopted these standards.

The adoption of this standard will result in more disclosure than would have previously been provided in the consolidated and separate annual financial statements.

IFRS S2: Climate-related Disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climaterelated risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 applies to:

- climate-related risks to which the entity is exposed, which are climate-related transition risks; and
- climate-related opportunities available to the entity.

The effective date of the standard is for years beginning on or after 01 January 2024 and is optional.

The group has not yet adopted these standards.

The adoption of this standard will result in more disclosure than would have previously been provided in the consolidated and separate annual financial statements.

3.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2025 or later periods:

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

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3. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2027.

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate annual financial statements.

It is likely that the amendment will have a material impact on the group's consolidated and separate annual financial statements and the impact is still being assessed.

Amendments to IFRS 10 Consolidated Financial Statements

Annual Improvements to IFRS Accounting Standards - Volume 11 - Determination of a 'de facto agent'. The amendment is to clarify whether a party acts as a de facto agent in assessing control of an investee.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate annual financial statements.

The impact of this amendment is still being assessed.

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.

The group expects to adopt the amendment for the first time in the 2026 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements as the group transacts in currencies which are exchangeable.

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Notes to the Consolidated and Separate Annual Financial Statements

	Group	Company		
Figures in Pula million	2025	2024	2025	2024

4. Revenue

Revenue from contracts with customers

Sale of goods	9 107	7 940	-	-
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Revenue other than from contracts with customers

Commission received on financial services	45	37	-	-
Rental income	5	4	-	-
Transportation income	12	14	-	-
Miscellaneous income	4	6	-	-
	66	61	-	-
	9 173	8 001	-	-

The Group disaggregates revenue from customers as follows:

Sales of merchandise & liquor	9 153	7 847	-	-
Milling & Manufacturing	312	431	-	-
Commission received on financial services	45	37	-	-
Rental income	5	4	-	-
Transportation income	12	14	-	-
Miscellaneous income	4	6	-	-
Inter-segmental sales	(358)	(282)	-	-
Kamoso preacquisition	-	(56)	-	-
	9 173	8 001	-	-

5. Cost of sales

Sale of goods	7 214	6 319	-	-
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Sale of goods include foreign exchange gain of BWP 3 million (2024: losses BWP 6 million)

6. Other operating (losses)/gains

Gains (losses) on disposals

Property, plant and equipment	2	3	-	-
(Loss)/profit on sale of business	(14)	16	-	-
	(12)	19	-	-

Refer to note 41 for the sale of business.

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Notes to the Consolidated and Separate Annual Financial Statements

	Group	Company	
Figures in Pula million	2025	2024	2025
7. Operating profit (loss)			
Operating profit/(loss) for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees	12	8	-
Consulting and professional fees			
Consulting and professional service fees	14	12	2
Legal fees	5	1	1
	19	13	3
Employee costs			
Basic	611	507	-
Retirement : defined contribution plans	21	14	-
Share-based payments	5	6	-
	637	527	-
Leases			
Variable lease payments	30	6	-
	30	6	-
Depreciation and amortisation			
Depreciation of property, plant and equipment	76	61	-
Depreciation of right-of-use assets	209	200	-
Amortisation of intangible assets	3	2	-
	288	263	-
Impairment losses			
Software	5	-	-
Advances to suppliers	2	-	-
	7	-	-
Movement in credit loss allowances			
Trade and other receivables	4	1	17
Foreign exchange losses			
Foreign exchange losses	2	(17)	-

These losses relate to lease liabilities that are US Dollar denominated and are valued at the spot rate at the reporting period resulting in a loss or gain.

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Figures in Pula million	Group		Company	
	2025	2024	2025	2024
8. Administration expenses				
Accounting fees and secretarial charges	1	1	-	-
Auditors remuneration	12	8	-	-
Bank charges	77	64	-	-
Computer expenses	44	36	-	-
Consulting and professional fees	14	12	2	2
Depreciation of right-of-use assets	209	200	-	-
Donations	4	4	-	-
Electricity and water charges	188	136	-	-
Employee costs	637	527	-	-
Insurance	25	22	-	-
Lease hires	-	1	-	-
Legal fees	5	1	1	-
Motor vehicle expenses	61	60	-	-
Other expenses	34	44	-	-
Security	59	50	-	-
Variable lease payments	30	6	-	-
	1 400	1 172	3	2
9. Selling and distribution expenses				
Advertising	33	32	-	-
Travel and accommodation	15	10	-	-
Unrealised foreign exchange losses	4	(5)	-	-
Bad debts	1	-	-	-
	53	37	-	-
10. Other operating expenses				
Amortisation	3	2	-	-
Depreciation	76	61	-	-
Repairs and maintenance	90	72	-	-
Other expenses	2	4	-	-
	167	139	-	-
11. Investment income				
Interest income				
Investments in financial assets:				
Bank	1	4	-	-
12. Finance costs				
Lease liabilities	70	70	-	-
Bank overdraft	31	39	-	-
Total finance costs	101	109	-	-

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

13. Taxation

Major components of the tax expense

Current

Income tax - current period	49	47	-	-
Income tax - prior period	1	-	-	-
	50	47	-	-

Deferred

Originating and reversing temporary differences	17	(13)	-	-
	67	34	-	-

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit/(loss)	218	230	(20)	(2)
Tax at the applicable tax rate of 22% (2024: 22%)	48	51	(4)	-

Tax effect of adjustments on taxable income

Unrecognised deferred tax asset	-	(1)	-	-
Deferred tax asset raised	-	(33)	-	-
Prior year under (over) provision of current tax	1	9	-	-
Prior year under (over) provision of deferred tax	6	-	-	-
Disallowable expenses	10	9	4	-
Effects of different tax rates	2	(1)	-	-
	67	34	-	-

The tax losses carried forward for certain subsidiaries are BWP 67 million (2024: BWP 70 million) which can be claimed by these subsidiaries to reduce future tax payments. These losses cannot be offset across different legal entities and can be carried forward no longer than 5 years.

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Figures in Pula million	2025	2024	2025	2024

14. Earnings per share

Number of share for basic earnings	1 824 461 674	1 824 461 674	-	-
Weighted average number shares	1 824 461 674	1 824 461 674	-	-
Diluted weighted average number of shares	1 852 580 135	1 852 580 135	-	-
Basic earnings per share - thebe				
From continuing operations	8.4	10.5	-	-
From discontinued operations	(3.1)	(2.9)	-	-
	5.3	7.6	-	-
Diluted earnings per share - thebe				
From continuing operations	8.3	10.3	-	-
From discontinued operations	(3.1)	(2.9)	-	-
	5.2	7.4	-	-

Headline earnings and diluted headline earnings per share

The calculation of headline earnings and diluted headline earnings per share is based on the weighted average number of ordinary shares in issue during the year.

	2025			2024		
	Gross	Income tax effect	Net	Gross	Income tax effect	Net
Continuing operations						
Profit for the year attributable to owners of the Company						
Basic earnings			153.0			190.0
Loss on disposal of asset	(2.0)	-	(2.0)	(3.0)	1.0	(2.0)
Impairments	7.0	(1.0)	6.0	-	-	-
Profit/(loss) on sale of business	14.0	-	14.0	(16.0)	-	(16.0)
Non-controlling interest			-	4	-	4
Headline earnings			171			176
Headline earnings per share						
Headline Earnings per share - thebe			9.4	9.6	-	-
Diluted Headline Earnings per share - thebe			(1.3)	(2.8)	-	-
	8.1	6.8		-		-
Diluted Headline earnings per share						
Headline Earnings per share - thebe			9.3	9.5	-	-
Diluted Headline Earnings per share - thebe			(1.3)	(2.8)	-	-
	8.0	6.7		-		-

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15. Property, plant and equipment

Group	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	61	(20)	41	76	(24)	52
Plant and machinery	785	(377)	408	689	(374)	315
Furniture and fixtures	272	(148)	124	260	(151)	109
Motor vehicles	319	(127)	192	283	(115)	168
Office equipment	109	(83)	26	109	(82)	27
Computer hardware and accessories	219	(136)	83	181	(133)	48
Aircraft	58	(24)	34	58	(23)	35
Total	1 823	(915)	908	1 656	(902)	754

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Figures in Pula million

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2025

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Computer hardware and accessories	Aircraft	Total
Opening balance								
Cost	76	689	260	283	109	181	58	1 656
Accumulated depreciation and impairment	(24)	(374)	(151)	(115)	(82)	(133)	(23)	(902)
Net book value at 01 July 2024								
Additions	13	116	26	46	-	48	-	249
Acquisition - refer note 41	-	6	-	-	-	-	-	6
Disposals and scrappings - cost	(28)	(31)	(15)	(10)	-	(9)	-	(93)
Disposals and scrappings - accumulated depreciation	6	28	15	7	-	9	-	65
Foreign exchange movements - cost	-	4	-	-	-	-	-	4
Foreign exchange movements - accumulated depreciation	-	(2)	-	-	-	-	-	(2)
Depreciation	(2)	(29)	(11)	(19)	(1)	(13)	(1)	(76)
Net book value at 30 June 2025								
	41	407	124	192	26	83	34	907
Made up as follows:								
Cost	61	785	272	319	109	219	58	1 823
Accumulated depreciation and impairment	(20)	(377)	(148)	(127)	(83)	(136)	(24)	(915)
	41	408	124	192	26	83	34	908

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Figures in Pula million

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2024

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Computer hardware and accessories	Aircraft	Total
Opening balance								
Cost	72	609	185	235	109	152	58	1 420
Accumulated depreciation and impairment	(21)	(332)	(123)	(95)	(81)	(113)	(23)	(788)
Net book value at 01 July 2023	51	277	62	140	28	39	35	632
Additions	9	62	23	48	-	17	-	159
Acquisition of subsidiary	-	30	39	11	2	3	-	85
Disposal of business - cost	-	(30)	(1)	(2)	-	(1)	-	(34)
Disposal of business - accumulated depreciation	-	22	1	2	1	-	-	26
Disposals and scrappings - cost	(4)	(17)	(22)	(37)	(1)	(2)	-	(83)
Disposals and scrappings - accumulated depreciation	-	16	16	25	1	1	-	59
Foreign exchange movements - cost	(2)	(33)	(4)	(3)	(7)	(8)	-	(57)
Foreign exchange movements - accumulated depreciation	-	15	6	1	5	6	-	33
Depreciation	(2)	(27)	(11)	(17)	(2)	(7)	-	(66)
Net book value at 30 June 2024	52	315	109	168	27	48	35	754
Made up as follows:								
Cost	76	689	260	283	109	181	58	1 656
Accumulated depreciation and impairment	(24)	(374)	(151)	(115)	(82)	(133)	(23)	(902)
	52	315	109	168	27	48	35	754

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

15. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings note 29:

The Group entered into a Loan Facilities Agreement during the 2021 reporting period which was secured by a cross-company guarantee issued by Choppies Enterprises Limited and its subsidiaries and a deed of hypothecation in favour of the lenders over movable assets limited to BWP 636 million issued by Choppies Enterprises Limited and its subsidiaries. At the reporting date BWP 253 million (2024: 342 million) of these facilities were utilised. Refer to notes 25 and 29 for further disclosure of the facilities.

16. Right-of-use assets

Group	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right-of-use - buildings	1 705	(993)	712	1 632	(878)	754

Reconciliation of right-of-use asset

	Group	Company	
	2025	2024	2025
Cost	1 632	1 219	-
Accumulated depreciation	(878)	(584)	-
Net book value at 01 July	754	635	-
Additions	224	251	-
Disposals - cost	(153)	(30)	-
Disposals - accumulated depreciation	96	6	-
Acquisition of subsidiary - fair value	-	122	-
Disposal of business - cost	-	(2)	-
Disposal of business - accumulated depreciation	-	2	-
Foreign exchange movements - cost	2	(11)	-
Foreign exchange movements - accumulated depreciation	(2)	2	-
Depreciation	(209)	(221)	-
	712	754	-

Comprising of:

Cost	1 705	1 632	-	-
Accumulated depreciation	(993)	(878)	-	-
	712	754	-	-

Refer to note 30 for details of the corresponding IFRS 16 leases and note 34 for changes in lease liabilities arising from cash flow activities.

Other disclosures

Interest expense on lease liabilities	63	70	-	-
Variable lease payments	30	10	-	-

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Figures in Pula million	Group		Company	
	2025	2024	2025	2024

17. Goodwill

Group	2025			2024		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	110	-	110	122	(14)	108
Opening balance		108	17		-	-
Acquisition - refer note 40		5	105		-	-
Impairment - Zimbabwe		(3)	(15)		-	-
Effects of movement in exchange rates		-	1		-	-
		110	108		-	-

Impairment

The valuation of goodwill at the reporting date was determined by comparing the value in use of the cash generating units ("CGUs"), that the goodwill is allocated to the carrying amounts of the assets and liabilities within the CGUs. The value in use is determined by comparing the present value of estimated incremental future cash flows to the carrying amount. This was based on five-year cash flow projections based on the most recent budgets approved by the Board and extrapolations of cash flows. The growth rates incorporated in the projections do not exceed the average long-term growth rates for the market in which the CGU operates.

	Group		Company	
	2025	2024	2025	2024

Goodwill is allocated to the CGUs of the main operations as follows:

Goodwill

Nanavac Investments (Pvt) Limited (Zimbabwe)	-	3	-	-
Kamoso Proprietary Limited	105	105	-	-
Choppies Supermarkets Namibia (Pty) Limited	4	-	-	-
Shaysons Namibia (Pty) Limited	1	-	-	-
	110	108	-	-

Kamoso Africa (Pty) Ltd - (Botswana)

The following assumptions were applied in the evaluation of goodwill, the discount rate is 12.4% (2024: 12.4%).

	Group		Company	
	2025	2024	2025	2024

Average sales growth rate

In Kamoso	5%	5%	-	-
Terminal value multiple	5 times	5 times	-	-
Choppies Namibia	12%	-	-	-
Shaysons Namibia	20%	-	-	-

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	Group	Company	
Figures in Pula million	2025	2024	2025
17. Goodwill (continued)			
Five-year average inflation rate			
In Kamoso	6%	6%	-
Choppies Namibia	6%	-	-
Shaysons Namibia	10%	-	-
Five year gross profit margin			
In Kamoso - percentage	15%	15%	-
Choppies Namibia	18%	-	-
Shaysons Namibia	24%	-	-

In assessing sustainable cash flows, management has considered the risks specific to the cash generating unit, inflation on input and operating costs and sales growth rates.

The average sales growth rate applied for the periods beyond 2025 takes into consideration the cost escalation rates which are linked to uncertainty created by negative global macro factors and challenging local operating environment.

The discount rates used in the discounted cash flow models are calculated using the principles of the capital asset pricing model, considering the current market conditions in Botswana. A post-tax weighted-average cost-of-capital (WACC) rate of 12.4% (2024: 12.4%) was used.

The value-in-use calculations and impairment reviews are sensitive to changes in key assumptions, particularly relating to growth rates and the terminal value multiple. A sensitivity analysis has been performed based on changes in these key assumptions. With a 0% growth rate in sales and a terminal value multiple of zero, the estimated recoverable amount of the CGU exceeds their carrying amounts.

Kamoso acquisition goodwill and its allocation to cash-generating units

Goodwill obtained in the acquisition of the Kamoso Group is allocated to the individual CGUs that are expected to benefit from the synergies on the acquisition. On this basis, it was allocated as follows:

Liquorama segment	BWP 62 million
Rest of Kamoso segment	BWP 43 million
Total	BWP 105 million

We used the discounted cash flows of each segment to determine the allocation of the total goodwill as this is most reflective of the synergies.

18. Intangible assets

Group	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	27	(18)	9	23	(16)	7

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Figures in Pula million	Group		Company	
	2025	2024	2025	2024

18. Intangible assets (continued)

Reconciliation of intangible assets - Group

	Group		Company	
	2025	2024	2025	2024
Cost	22	36	-	-
Accumulated amortisation	(15)	(15)	-	-
Accumulated impairment	-	(13)	-	-
Net book value at 01 July	7	8	-	-
Additions	4	2	-	-
Disposal - cost	-	(1)	-	-
Disposal - accumulated amortisation	-	-	-	-
Foreign currency translation reserve	1	-	-	-
Amortisation	(3)	(2)	-	-
	9	7	-	-

Comprising of:

Cost	27	22	-	-
Accumulated amortisation	(18)	(15)	-	-
	9	7	-	-

19. Investments in new projects

These amounts relate to capital expenditure incurred with regard to new stores and other assets not yet brought into use. The amounts are non-current in nature and will be transferred to plant and equipment when the store opens.

Investments in new projects is reconciled as follows:

Balance at the beginning of the year	9	7	-	-
Additions	32	4	-	-
Transferred to property, plant and requirement	(1)	(1)	-	-
Effects of exchange rates	-	(1)	-	-
	40	9	-	-

20. Investments in subsidiaries

The following table lists the entities which are controlled directly by the Company, and the carrying amounts of the investments in the Company's separate financial statements.

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20. Investments in subsidiaries (continued)

Company

Name of company	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
	2025	2024		
Choppies Distribution Centre (Pty) Limited	100 %	100 %	451	74
Choppies Supermarkets Namibia (Pty) Limited	2.5 %	2.5 %	-	-
Choppies Supermarkets Tanzania Limited	75 %	75 %	13	13
Choppies Supermarkets Tanzania Limited - Impairment			(13)	(13)
Choppies Enterprises Kenya Limited	75 %	75 %	179	179
Choppies Enterprises Kenya Limited - impairment	-	-	(179)	(179)
Choppies Distribution Centre Kenya Limited	75 %	75 %	-	-
Choppies Supermarket Mozambique Limitada	90 %	90 %	34	34
Choppies Supermarket Mozambique Limitada - impairment	-	-	(34)	(34)
Choppies Supermarkets Limited (Zambia)	30 %	30 %	-	-
Nanavac Investments (Pvt) Limited	100 %	100 %	-	-
			451	74

During the year the Company invested more capital in Choppies Distribution Centre (Pty) Limited.

Held by Choppies Distribution Centre (Pty) Limited

Name of company	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
	2025	2024		
Choppies Supermarkets Namibia (Pty) Limited	97.5 %	97.5 %	84	84
Choppies Supermarkets Limited (Zambia)	60 %	60 %	158	158
Kamoso Africa (Pty) Limited (Botswana)	76 %	76 %	-	-
Monyglob (Pty) Ltd	100 %	100 %	12	12
			254	254

As Choppies Distribution Centre (Pty) Limited is a wholly owned subsidiary of the Company, the Company retains majority control over these subsidiaries.

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20. Investments in subsidiaries (continued)

Subsidiaries with material non-controlling interests

Summarised Statement of Profit or Loss and Other Comprehensive Income	Kamoso Africa (Pty) Ltd		Choppies Zambia (Pty) Ltd		Total	
	2025	2024	2025	2024	2025	2024
Revenue	1 417	1 175	1 464	1 302	2 881	2 477
Other income and expenses	(1 446)	(1 166)	(1 433)	(1 282)	(2 879)	(2 448)
Profit (loss) from continuing operations	(29)	9	31	20	2	29
Profit (loss) from discontinued operations	-	(28)	-	-	-	(28)
(Loss)/Profit from total operations	(29)	(19)	31	20	2	1
Other comprehensive income	-	(1)	9	(22)	9	(23)
Loss from total operations	(29)	(20)	40	(2)	11	(22)
Profit allocated to NCI	(7)	(5)	3	5	(4)	-
OCI allocated to NCI	-	-	1	(5)	1	(5)
Summarised Statement of Financial Position	Kamoso Africa (Pty) Ltd		Choppies Zambia (Pty) Ltd		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Non-current	305	172	251	125	556	297
Current	264	250	219	175	483	425
Total assets	569	422	470	300	1 039	722
Liabilities						
Non-current	(286)	(265)	(49)	(53)	(335)	(318)
Current	(315)	(266)	(333)	(188)	(648)	(454)
Total liabilities	(315)	(266)	(333)	(188)	(648)	(454)
Total net assets	254	156	137	112	391	268
Summarised statement of cash flows	Kamoso Africa (Pty) Ltd		Choppies Zambia (Pty) Ltd		Total	
	2025	2024	2025	2024	2025	2024
Cash flows from operating activities	93	40	119	66	212	106
Cash flows from investing activities	(31)	(13)	(112)	(9)	(143)	(22)
Cash flows from financing activities	(65)	23	(20)	(35)	(85)	(12)
Net increase(decrease) in cash and cash equivalents	(3)	50	(13)	22	(16)	72

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20. Investments in subsidiaries (continued)

Assessment of investments in subsidiaries for impairment

The Company assesses investments in subsidiaries for potential impairment when impairment indicators have been identified. The Company assesses the current and future financial performance of these subsidiaries, taking into account the Company's business model (5 year projection). An impairment loss is recognised if a subsidiary does not show a cumulative profitable return over the next five years from the year end. All investments in subsidiaries are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the investments' recoverable amount exceeds its carrying amount. Future performance was assessed based on cash flow projections for the Group's subsidiaries below and the following key assumptions:

	Discount rate -pre tax		Trading profit growth rate		EBITDA multiples	
	2025	2024	2025	2024	2025	2024
Choppies Distribution Centre (Pty) Ltd	15.90	15.90	6.0 %	6.0 %	9	9
Choppies Supermarkets Namibia (Pty) Ltd	15.90	15.90	10.0 %	10.0 %	5	5
Choppies Supermarkets Limited (Zambia)	15.90	15.90	15.0 %	15.0 %	7	7
Jexman Holdings (Pty) Ltd	15.90	15.90	10.0 %	10.0 %	7	7
Kamoso Africa (Pty) Limited Group	15.90	15.90	6.0 %	6.0 %	7	7

The Group reviewed the projections and operations of the regions, namely Botswana, Namibia and Zambia and remains optimistic of the region as it is showing good growth and value add to the Group. As a result, the Group did not impair these investments in the financial year 2025 due to the expected positive EBITDA and increase in value based on future projections.

21. Inventories

Merchandise	676	681	-	-
Finished goods and raw materials	24	30	-	-
Goods in transit	3	1	-	-
	703	712	-	-
Provision for inventory obsolescence	(59)	(48)	-	-
	644	664	-	-
Cost of inventory recognised as expense during the year	7 214	6 319	-	-
Write down of inventories	89	104	-	-
Reversal of write-downs	1	14	-	-

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024
22. Amounts due from related parties				
Amounts due from related entities - other related parties	9	3	223	427
Amounts due from related entities - Mediland	41	40	-	-
	50	43	223	427

Transactions with related entities are carried out on mutually agreed terms and conditions in the normal course of business on an arm's length basis. Refer to note 37 for the details of related party balances and transactions.

All amounts are short-term except for Mediland (Pty) Limited loan. The carrying values of amounts due from related entities are considered to be a reasonable approximation of fair value.

The amounts were deemed recoverable and as a result no expected credit loss allowance was made.

The loan to Mediland is secured by a pledge over the shares in Mediland Healthcare Distributors (Pty) Ltd and bears interest at 2.65% per annum and is repayable over five years.

Exposure to credit risk

Amounts due from related entities 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.

A loss allowance is recognised for all amounts due from related entities, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

The Mediland loan loss allowances are recognised for all amounts due in accordance with IFRS 9 Financial Instruments by applying the general approach.

Under this model, the loss allowance is reassessed at each reporting date based on changes in credit risk since initial recognition.

At the reporting date, the loan was assessed to have low credit risk, as the counterparty demonstrated a strong capacity to repay the loan. In line with IFRS 9, this indicates that the credit risk has not increased significantly since initial recognition, and a 12-month ECL continues to be applied.

Based on this assessment, including historical repayment performance and forward-looking information including forecasts and general economic conditions of the industry as the reporting date, the Group determined that the expected credit loss is immaterial. Accordingly, no material loss allowance has been recognised.

The Group measures the loss allowance for all other amounts due from related parties by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on amounts due from related parties is determined as the lifetime expected credit losses on amounts due from related parties. These lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of amounts due from related parties but also incorporates forecast and general economic conditions of the industry as at the reporting date. The lifetime ECL (Expected Credit Loss) is expected to be immaterial or almost nil based on past experience as a result of low risk of default and no amounts are past due.

At the Company level, an impairment loss from related parties is recognised using the general approach based on management's assessment of the related party's inability to repay the amounts advanced in the near future.

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Figures in Pula million	Group		Company	
	2025	2024	2025	2024
23. Advances and deposits				
Prepaid expenses	7	7	-	-
Rent deposits	14	14	-	-
Other deposits	1	2	-	-
Electricity deposits	4	4	-	-
Advance to suppliers	48	41	-	-
Other advances	2	3	-	-
	76	71	-	-

Advances to suppliers are prepayments for inventory and services.

24. Trade and other receivables

Financial instruments:

Trade receivables	52	42	-	-
Loss allowance	(32)	(24)	-	-
Trade receivables at amortised cost	20	18	-	-
Rebate receivable	59	49	-	-
Other receivable	74	66	1	1
Total trade and other receivables	177	165	1	1

Other receivables include balances relating to counterparties for transacting in money transfers, electricity and satellite television subscriptions.

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	153	133	1	1
Non-financial instruments	24	32	-	-
	177	165	1	1

Exposure to credit risk

Trade and other receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

Trade receivables arise from retail sales. Retail trade is located in Botswana, Namibia and Zambia. Credit risk is assessed and monitored internally along these risk concentrations.

The Company is exposed to credit risk if counterparties fail to make payments as they fall due.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company uses a provision matrix to measure the expected credit loss (ECL) of trade receivables from various customer groups. Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on type of clients and products.

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Figures in Pula million	2025	2024	2025	2024

24. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

Credit risk on rebate receivable

These rebates receivable are recovered from supplier payments and the Group does not expect any credit loss. Rebate receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 3% (2024: 10%)	11	-	10	(1)
Past due 1 - 30 days: 10% (2024: n/a%)	4	(1)	2	-
Past due 31 - 60 days: 38% (2024: n/a%)	4	(2)	-	-
Past due 61 - 90 days: 43% (2024: n/a%)	3	(1)	1	-
More than 91 days past due: 94% (2024: 82%)	30	(28)	29	(23)
Total	52	(32)	42	(24)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses (ECL)) for trade and other receivables:

Opening balance	(24)	(3)	-	-
Provisions (raised)/reversed	(8)	(3)	-	-
On acquisition of subsidiary	-	(18)	-	-
Closing balance	(32)	(24)	-	-

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

25. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14	14	-	-
Bank balances	156	192	4	4
Bank overdrafts	(85)	(81)	-	-
	85	125	4	4

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Figures in Pula million	2025	2024	2025	2024
25. Cash and cash equivalents (continued)				
Current assets	170	206	4	4
Current liabilities	(85)	(81)	-	-
	85	125	4	4

The Company had a cash balance of BWP 528 935 at 30 June 2025 (2024: BWP 550 597), not reflected above due to rounding.

The Group has the following facilities:

- Choppies Distribution Centre (Pty) Ltd

Facility D - raised with a consortium of banks as described under note 30. Facility D is a BWP 50 million overdraft facility from Absa Bank Botswana Limited, Stanbic Bank Botswana Limited, and First National Bank Botswana Limited, secured by a cross-company guarantee of BWP 50 million issued by Choppies Enterprises Limited and its subsidiaries and a deed of hypothecation in favour of the lenders over movable assets limited to BWP 50 million issued by Choppies Enterprises Limited and its subsidiaries.

At the reporting date BWP 46 million (2024: BWP 46 million) of this facility was utilised.

- Choppies Supermarkets (Pty) Limited

BWP 15 million overdraft facility secured by a cross-company guarantee of BWP 15 million issued by Choppies Enterprises Limited.

At the reporting date BWP 13 million (2024: BWP 7 million) of this facility was utilised.

- Kamoso Africa (Pty) Ltd

BWP 30 million overdraft facility secured by a deed of hypothecation in favour of the lenders over movable assets limited to Kamoso Africa and limited to BWP 30 million.

At the reporting date BWP 26 million (2024: BWP 28 million) of this facility was utilised.

26. Stated capital

Issued ordinary shares - '000s

At the beginning of the year	1 824 462	1 824 462	1 824 462	1 824 462
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Issued stated capital - Pula millions

At the beginning of the year	1 207	1 207	1 207	1 207
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The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank pari passu with regard to the Company's residual assets.

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Figures in Pula million	2025	2024	2025	2024

27. Treasury shares

Total number of shares held as treasury shares - millions	9.1	15.6	-	-
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Reconciliation of movement in number of treasury shares for the Group

Balance at the beginning of the year	15.6	15.6	-	-
Shares utilised for settlement of equity-settled share-based arrangements	(6.5)	-	-	-
Balance at the end of the year	9.1	15.6	-	-

Value of shares at cost	28	32	-	-
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The Group's treasury shares comprises the cost of the Company's shares held by Choppies Distribution Centre (Pty) Ltd, a wholly owned subsidiary.

Share- based payments

The group issues equity-settled share options to certain employees. The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which the employees become unconditionally entitled to the option. Fair value is measured using the Black Scholes model taking into account the terms and conditions upon which the options are granted. The risk-free rate, dividend yield, share price volatility and attrition rate key assumptions used in the valuation model are based on management's best estimate at the date of valuation.

At each reporting date the estimate of the number of options that are expected to vest based on the non-market vesting conditions are revised. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity

These share options vest and are exercisable in tranches of 33.3% on the 1st, 2nd and 3rd anniversary of the award. The vesting of the share options is dependent on the employee being employed within the group at vesting date and exercising the option within the 30 day exercise period.

During the period under review no options were granted (2024: 28.1 million shares). The share-based payments relating to options granted were valued at BWP 5 million (2024: BWP 6 million).

Reconciliation of share options for the year	2025		2024	
	Weighted average exercise price - thebe	Number of options - millions	Weighted average exercise price - thebe	Number of options - millions
Outstanding options at beginning of year	0.52	28.9	-	-
Shares granted during the year	-	-	0.52	28.9
Shares vested during the year	0.65	(6.5)	-	-
Outstanding options at end of the year	0.52	22.4	0.52	28.9

The first tranche of the 2024 awards will vest in October 2024.

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

28. Foreign currency translation reserve

This reserve is used to record exchange differences arising from the translation of the results of foreign subsidiaries.

Opening balance	(714)	(682)	-	-
Exchange differences on translating foreign operations	18	(32)	-	-
Sale of business	337	-	-	-
	(359)	(714)	-	-

Foreign currency translation reserve comprises of:

Foreign currency translation reserve -continuing operations	(359)	(714)	-	-
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29. Borrowings

Held at amortised cost

Secured

First National Bank Botswana Limited	16	107	-	-
Absa Bank Botswana Limited	71	121	-	-
Stanbic Bank Botswana Limited	40	68	-	-
RMB Botswana	80	-	-	-
	207	296	-	-

Unsecured

Botswana Development Corporation	51	43	-	-
Loan from shareholders - Group CEO	6	8	-	-
	57	51	-	-
	264	347	-	-

Split between non-current and current portions

Non-current liabilities	112	243	-	-
Current liabilities	152	104	-	-
	264	347	-	-

Refer to note 15 for the property, plant and equipment encumbered as security.

Refer to note 34 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 39 Financial instruments and financial risk management for the fair value of borrowings.

The lenders have made available three term facility loans: -

- Facility A1 ended in February 2023.
- Facility B is repayable by way of monthly equal installments commencing in March 2023 and ending in February 2026.
- Facility C is repayable in by way of a lump sum in March 2026.

Interest is calculated based on the rate of interest on each loan per annum which is the aggregate of the applicable: (a) margin and: (b) the reference rate, their reference rate being the Botswana prime lending rate. Interest accrues on a day-to-day basis and is calculated based on 365 days and the actual number of days elapsed on a 365 days per basis. Interest shall accrue on each facility on each interest payment date. The first interest period shall begin at the utilisation date of each loan.

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29. Borrowings (continued)

Loan from Botswana Development Corporation

The loan of BWP 16 million bears interest at a rate of prime plus 10% while the remaining loan of BWP 35 million bears interest of prime. The loan is unsecured and fully subordinated in favour of other creditors.

Loan from shareholder - Group CEO

The loan bears interest at a rate equal to prime plus 10%. The loan is unsecured and fully subordinated in favour of other creditors.

Facility loans A to C are subject to financial covenants. Under the terms of the major borrowing facilities, the Botswana Group* is required to comply with the following financial covenants, calculated on the basis that IAS 17 - Leases is still applied:

- Botswana Group gross debt to EBITDA ratio must not exceed 1.5 times (2024: 1.50 times);
- Botswana Group interest cover ratio (EBITDA divided by finance charges) must be minimum of 5.0 times;
- Botswana debt service cover ratio (free cash flow divided by the debt service costs) must be a minimum of 1.2 times.

The covenants are measured quarterly.

*The Botswana Group consists of the parent Company and the Botswana subsidiary - Choppies Distribution Centre (Pty) Ltd.

The Botswana Group has complied with these covenants throughout the reporting period. As at the reporting date, these ratios measure as follows:-

	2025	2024
• Gross debt to EBITDA	0.53	0.75
• Interest Cover ratio	43.7	17.8
• Debt service cover ratio	2.44	2.37

At the reporting date, borrowings payables were as follows:

Minimum payments due

- Not later than one month	9	8	-	-
- Later than one month and not later than three months	20	18	-	-
- Later than three months and not later than one year	146	96	-	-
- 13 to 24 months	51	157	-	-
- 25 to 36 months	31	23	-	-
- 37 to 48 months	35	26	-	-
- 48 months and older	8	100	-	-
	300	428	-	-
less: future finance charges	(36)	(81)	-	-
Present value of borrowings	264	347	-	-

Present value of minimum payments due

- Not later than one month	9	7	-	-
- Later than one month and not later than three months	18	15	-	-
- Later than three months and not later than one year	125	82	-	-
- 13 to 24 months	41	147	-	-
- 25 to 36 months	25	20	-	-
- 37 to 48 months	30	25	-	-
- 48 months and older	16	51	-	-
	264	347	-	-

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Figures in Pula million	Group	Company		
	2025	2024	2025	2024
30. Lease liabilities				
Minimum lease payments due				
- Not later than one month	36	28	-	-
- Later than one month and not later than three months	58	56	-	-
- Later than three months and not later than one year	217	227	-	-
- 13 to 24 months	244	263	-	-
- 25 to 36 months	198	212	-	-
- 37 to 48 months	229	226	-	-
- 48 months and older	102	184	-	-
	1 084	1 196	-	-
less: future finance charges	(182)	(219)	-	-
Present value of borrowings	902	977	-	-
Present value of minimum lease payments due				
- Not later than one month	29	21	-	-
- Later than one month and not later than three months	46	43	-	-
- Later than three months and not later than one year	191	176	-	-
- 13 to 24 months	199	212	-	-
- 25 to 36 months	167	177	-	-
- 37 to 48 months	200	193	-	-
- 48 months and older	70	155	-	-
	902	977	-	-
Non-current liabilities	636	736	-	-
Current liabilities	266	241	-	-
	902	977	-	-

Refer to note 34 Changes in liabilities arising from financing activities for details of the movement in the lease liabilities.

Details of leases

The Group has leases for businesses it operates in Botswana, Zambia and Namibia. With the exception of short-term leases, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note15).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. Most leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Scania Finance Southern Africa (Pty) Limited

Instalment sale agreement liabilities

These lease liabilities are secured over motor vehicles with a net book value of BWP 92 million (2024: BWP 98 million). These liabilities bear interest at the South African prime lending rate less 0.5%-1% per annum and are repayable in 24-36 monthly instalments.

Bank Windhoek

These liabilities are secured over equipment with a net book value of BWP 16 million (2024: BWP 20 million). These liabilities bear interest at the South African prime lending rate less 0.5% - 1% per annum and are payable in 24-36 monthly instalments.

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

30. Lease liabilities (continued)

Alensy Energy Solutions (Pty) Ltd

These lease liabilities are secured over solar equipment with a net book value of BWP 1 million (2024: BWP 1 million). These liabilities bear interest at the South African prime lending rate plus 2% per annum and are repayable in 36 monthly instalments.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

Variable lease payments	30	6	-	-
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Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset. Variable lease payments are expensed in the period they are incurred.

Additional information on the leased assets by class of assets is as follows:

30 June 2025	Carrying amounts	Depreciation expense	Impairment
Buildings	712	209	-
Motor vehicles	92	8	-
Solar equipment	17	1	-
	821	218	-

30 June 2024	Carrying amounts	Depreciation expense	Impairment
Buildings	754	221	-
Motor vehicles	98	11	-
Equipment	20	1	-
Solar equipment	1	-	-
	873	233	-

The leased assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

31. Deferred tax asset and liability

Movement in deferred tax is analysed as follows:

Reconciliation of deferred tax asset / (liability)

At beginning of year	(1)	8	-	-
Charge to profit / (loss)	(17)	13	-	-
Foreign exchange differences	3	(8)	-	-
Acquisition of Kamoso Africa (Pty) Limited	-	5	-	-
Sale of business	-	(19)	-	-
	(15)	(1)	-	-

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

31. Deferred tax asset and liability (continued)

Deferred tax liability

Accelerated capital allowances	(26)	(70)	-	-
Right of use asset	(109)	(132)	-	-
Unrealised foreign exchange loss	(14)	7	-	-
Total deferred tax liability	(149)	(195)	-	-

Deferred tax asset

Other deferred tax asset	-	3	-	-
Lease liabilities	134	165	-	-
Deferred tax balance from temporary differences other than unused tax losses	134	168	-	-
Tax losses carried forward	-	26	-	-
	134	194	-	-
Total deferred tax asset	134	194	-	-

Deferred tax liability	(149)	(195)	-	-
Deferred tax asset	134	194	-	-
Total net deferred tax (liability) asset	(15)	(1)	-	-

Deferred tax relating to tax losses shown separately under non-current assets	27	32	-	-
Deferred tax liability shown separately under non-current liabilities	(42)	(33)	-	-
	(15)	(1)	-	-

Deferred tax assets and liabilities are offset only if certain criteria are met.

Recoverability of deferred tax assets

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group's operations where there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise the tax losses carried forward by the specific company to which it relates. Management has carefully assessed the entities' ability to generate future taxable profits against which the recognised tax losses can be utilised. Such assessments are based on the approved budgets and the forecasts of the entities including their ability to raise funding to maintain and support their operations.

32. Amounts due to related parties

Amounts due to related entities	28	23	247	-
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These balances are trade related, unsecured, interest free and are repayable under normal trading terms. Refer to note 37 for the details of related party balances and transactions.

All amounts are short-term. The carrying values of amounts due to related entities are considered to be a reasonable approximation of fair value.

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024
33. Trade and other payables				
Financial instruments:				
Trade payables	1 067	921	-	-
Other payables	159	169	2	1
Non-financial instruments:				
Withholding tax payable	8	8	-	-
Vat payables	28	26	-	-
Payroll related accruals	98	78	-	-
	1 360	1 202	2	1

Other payables includes expenses payable, payroll liabilities, deposits and third party payments liabilities.

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	1 226	1 090	2	1
Non-financial instruments	134	112	-	-
	1 360	1 202	2	1

Minimum payments due

Not later than one month	835	650	-	-
Later than one month and not later than three months	285	338	-	-
Later than three months and not later than one year	240	214	-	-
	1 360	1 202	-	-

Fair value of trade and other payables

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value. Information of the Group's exposure to currency and liquidity risks is included in note 39.

34. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2025

	Opening balance	New	Acquisition	Interest accrued	Repayments	Foreign exchange movements	Terminations	Closing balance
Borrowings	347	-	-	9	(92)	-	-	264
Lease liabilities	977	198	-	73	(320)	(2)	(24)	902
Total liabilities from financing activities	1 324	198	-	82	(412)	(2)	(24)	1 166

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	Group	Company		
Figures in Pula million	2025	2024	2025	2024

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

Reconciliation of liabilities arising from financing activities - Group - 2024

	Opening balance	New	Acquisition	Interest accrued	Repayments	Foreign exchange movements	Terminations	Closing balance
Borrowings	369	80	77	-	(179)	-	-	347
Lease liabilities	828	294	137	-	(253)	(2)	(27)	977
Total liabilities from financing activities	1 197	374	214	-	(432)	(2)	(27)	1 324

35. Dividends per share

Dividend per share - thebe

Number 09 paid 16 April 2025 (2024: 07)	1.600	1.600	-	-
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Dividends per share declared - thebe

Number 10 payable 28 October 2025 (2024: 08)	0.600	1.400	-	-
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Dividends paid/payable

Number 07- paid	-	29	-	-
Number 08- paid	26	-	-	-
Number 09- paid	29	-	-	-
Paid this period	55	29	-	-
Number 10 - payable	11	-	-	-

The Board ensures that it complies with the liquidity and solvency requirements of the Botswana Companies Act before any dividend payment.

36. Contingencies

The Group has the following contingent liabilities at the reporting date:

36.1 Choppies Enterprises Limited has the guarantees issued for Nanavac Investments (Pvt) Limited valued at BWP 116 million (2024: BWP 116 million)

36.2 Choppies Enterprises Limited has guarantees issued for Choppies Supermarkets Tanzania Limited: valued at BWP 0.1 million (2024: BWP 0.1 million).

36.3 Choppies Enterprises Limited has guarantees issued for Choppies Supermarkets Namibia (Pty) Limited: valued at BWP 36 million (2024: BWP 36 million).

The guarantees are callable on demand.

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Figures in Pula million	2025	2024	2025	2024

37. Related parties

Relationships

Subsidiaries

Refer to note 20

The Group's related parties include its key management, companies with common directors and ownership.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Related party balances - net

Amounts due from related entities (subsidiaries)

Choppies Distribution Centre (Pty) Ltd	-	-	(34)	400
Nanavac Investments (Pty) Ltd	-	-	35	35
Nanavac Investments (Pty) Ltd - impairment	-	-	(35)	(18)
Choppies Supermarkets Limited (Zambia)	-	-	10	10
	-	-	(24)	427

The balances are unsecured, interest-free and repayable on demand. No other impairment losses have been recognised during the financial year.

Related entities are third parties in which one or both of the founding shareholders or their immediate family members have significant control through ownership or directorship.

These balances are trading related, are based on mutually agreed terms and conditions, unsecured and interest-free and are payable under normal trading terms. A detailed list of entities is available on request.

Amounts due from related entities (third parties)

9	3	-	-
---	---	---	---

The balances are trading related, are based on mutually agreed terms and conditions, unsecured and interest free and repayable under normal trading terms. A detailed list of entities is available on request.

Amounts due to related entities (third parties)

28	23	-	-
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Related party transactions

Sale of stock to related entities

26	29	-	-
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Purchase of goods or services from related entities

445	431	-	-
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Rent paid to (received from) related parties

The Far Property Company Ltd*	86	74	-	-
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*Rent paid is the actual rental payments as per lease agreements. Included in the statement of profit or loss and other comprehensive income is an interest expense of BWP 16 million (2024: BWP 17 million) relating to the right-of-use asset.

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	2025	2024	2025	2024
38. Directors' and prescribed officers' emoluments				
The table below provides key management personnel compensation during the year including directors. These amounts are included in employee costs in note 7.				
Directors fees - BWP Thousands				
Non - executive directors				
F E Ismail	333	333	-	-
D K U Corea	600	733	-	-
C J Haward	400	400	-	-
V Chitalu	633	767	-	-
R P De Silva	633	733	-	-
N Graaff	100	-	-	-
A Dondo	100	267	-	-
	2 799	3 233	-	-
Salaries - BWP Thousands				
Executive - directors				
R Ottapathu	7 054	8 737	-	-
Retainer fees - BWP Thousands				
Non - executive directors				
F E Ismail	300	300	-	-
D K U Corea	660	660	-	-
C J Haward	360	360	-	-
V Chitalu	646	661	-	-
R P De Silva	500	500	-	-
N Graaff	86	-	-	-
A Dondo	68	171	-	-
	2 620	2 652	-	-
Salaries - BWP Thousands				
Related to other key management personnel				
V Madhavan	8 468	12 411	-	-
M Rajcoomar	3 823	4 648	-	-
V Sanooj	3 298	3 870	-	-
	15 589	20 929	-	-
Share based payments are included in the salaries as follows				
V Madhavan	2 214	4 281	-	-
M Rajcoomar	278	365	-	-
V Sanooj	241	316	-	-
	2 733	4 962	-	-

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39. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

	Note(s)	Amortised cost	Total	Fair value
Amounts due from related parties	22	50	50	50
Trade and other receivables	24	153	153	153
Cash and cash equivalents	25	170	170	170
		373	373	373

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Amounts due from related parties	22	43	43	43
Trade and other receivables	24	133	133	133
Cash and cash equivalents	25	206	206	206
		382	382	382

Company - 2025

	Note(s)	Amortised cost	Total	Fair value
Amounts due from related parties	22	223	223	223
Trade and other receivables	24	1	1	1
Cash and cash equivalents	25	4	4	4
		228	228	228

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Amounts due from related parties	22	427	427	427
Trade and other receivables	24	2	2	2
Cash and cash equivalents	25	4	4	4
		433	433	433

Carrying value is a reasonable approximation of fair value.

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39. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	33	1 226	1 226	1 226
Amounts due to related parties	32	28	28	28
Borrowings	29	264	264	264
Lease liabilities		902	902	902
Bank overdraft	25	85	85	85
		2 505	2 505	2 505

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	33	1 090	1 090	1 090
Amounts due to related parties	32	23	23	23
Borrowings	29	347	347	347
Lease liabilities		977	977	977
Bank overdraft	25	81	81	81
		2 518	2 518	2 518

Company - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	33	2	2	2
Amounts due to related parties	32	247	247	247
		249	249	249

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	33	1	1	1

Carrying value is a reasonable approximation of fair value because of the short-term nature or market related terms of the liabilities.

Capital risk management

The capital structure and gearing ratio of the Group at the reporting date was as follows:

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

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39. Financial instruments and risk management (continued)

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Overview

The Group is exposed to credit, liquidity, interest rate and foreign currency risk due to the effects of changes in debt, exchange rates and interest rates experienced in the normal course of business. The Group's objective is to effectively manage each of the risks associated with its financial instruments in order to minimise the potential adverse effect on the financial performance and position of the Group.

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's board of directors through the audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- amounts due from related entities;
- trade and other receivables;
- cash and cash equivalents; and
- advances and deposits.
- financial guarantee contracts at a Company level

The Group limits the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparties. The Group has no significant concentration of credit risk, and exposure to third parties is monitored as part of the credit control process.

Reputable financial institutions are used for investing and cash handling purposes. All money market instruments and cash equivalents are placed with financial institutions registered with banks registered in the geographical areas where the Group operates. Banks in Botswana are not rated, but most of the banks are subsidiaries of major South African or United Kingdom registered institutions.

The expected credit loss on cash and cash equivalents has been assessed as low risk due to the short-term nature of these balances and the creditworthiness of the financial institutions.

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

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39. Financial instruments and risk management (continued)

In measuring the expected credit losses, the trade receivables that have similar characteristics are grouped together and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and according to the geographical location of customers where applicable.

In determining the level of likely credit losses on write-off of trade receivables, the Group has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators and US tariffs may have on historical collection and default rates, including the possible impact of the Russia-Ukraine war on its business and collection.

Trade receivables are considered irrecoverable where:

- the customer has not made any payment within 180 days from the date of invoice (at which stage amounts are considered in full default);
- no alternative payment arrangements have been made and adhered to by the customer during the first 90 days after date of invoice; and
- alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 90 days, have failed.

On the above basis the expected credit loss for trade receivables as at 30 June 2025 was determined as follows, (refer to note 24).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is summarised as follows:

Group	Note	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Amounts due from related parties	22	50	-	50	43	-	43
Trade and other receivables	24	185	(32)	153	157	(24)	133
Cash and cash equivalents	25	170	-	170	206	-	206
		405	(32)	373	406	(24)	382
Group	Notes	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Amounts due from related parties - net	22	223	-	223	427	-	427
Trade and other receivables	24	1	-	1	1	-	1
Cash and cash equivalents	25	4	-	4	4	-	4
		228	-	228	432	-	432
Company	Note	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Guarantees	36	152	-	152	152	-	152

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39. 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 - 2025

		Less than 1 month	Later than one month not later than three months	Later than three months and not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Non-current liabilities										
Borrowings	29	-	-	-	51	31	35	8	125	112
Lease liabilities		-	-	-	244	198	229	102	773	636
Current liabilities										
Trade and other payables	33	701	285	240	-	-	-	-	1 226	1 226
Amounts due to related parties	32	28	-	-	-	-	-	-	28	28
Borrowings	29	9	20	146	-	-	-	-	175	152
Lease liabilities	36	58	217	-	-	-	-	-	311	266
Bank overdraft	25	85	-	-	-	-	-	-	85	85
		859	363	603	295	229	264	110	2 723	2 505

Group - 2024

		Less than 1 month	Later than one month not later than three months	Later than three months and not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Non-current liabilities										
Borrowings	29	-	-	-	157	23	26	100	306	243
Lease liabilities		-	-	-	263	212	226	184	885	736
Current liabilities										
Trade and other payables	33	549	338	199	-	-	-	-	1 090	1 090
Amounts due to related parties	32	23	-	-	-	-	-	-	23	23
Borrowings	29	8	18	96	-	-	-	-	122	104
Lease liabilities	28	56	277	-	-	-	-	-	361	241
Bank overdraft	25	81	-	-	-	-	-	-	81	81
		689	412	572	420	235	252	284	2 868	2 518

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39. Financial instruments and risk management (continued)

Company - 2025

	Less than 1 month	Later than one month and not later than three months	Later than three months and not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Current liabilities									
Trade and other payables									
33	2	-	-	-	-	-	-	2	2
Amounts due to related parties	32	247	-	-	-	-	-	247	247
Guarantees	36	152	-	-	-	-	-	152	152

Company - 2024

	Less than 1 month	Later than one month and not later than three months	Later than three months and not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Current liabilities									
Trade and other payables									
33	1	-	-	-	-	-	-	1	1
Guarantees	36	152	-	-	-	-	-	152	152

Choppies Enterprises Limited has financial guarantees issued for Nanavac Investments (Pvt) Limited valued at BWP 116 million (2024: BWP 116 million), Choppies Supermarkets, Namibia (Pty) Limited valued at BWP 36 million (2024: 36 million) and Choppies Supermarkets Tanzania Limited valued at BWP 0.1 million (2024: BWP 0.1 million). Management has assessed the probability of these entities defaulting as low, and any loss given default as insignificant based on their financial position and the fair value of the underlying property provided as security on these loans. On this basis the liability for financial guarantees was determined to be BWP nil in the years presented.

Foreign currency risk

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure: Note

Current assets:

Trade and other receivables	24	4	5	-	-
Cash and cash equivalents	25	6	8	-	-

Current liabilities:

Trade and other payables	33	(45)	(44)	-	-
Net US Dollar exposure		(35)	(31)	-	-

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Figures in Pula million	Group		Company	
	2025	2024	2025	2024

39. Financial instruments and risk management (continued)

ZAR exposure: Note

Current assets:

Trade and other receivables	24	39	24	-	-
Cash and cash equivalents	25	8	17	-	-

Current liabilities:

Trade and other payables	33	(421)	(263)	-	-
Net ZAR exposure		(374)	(222)	-	-

Net exposure to foreign currency in Pula

(409)	(253)	-	-
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Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Current assets:

Trade and other receivables	24	1	-	-	-
Cash and cash equivalents	25	1	1	-	-

Current liabilities:

Trade and other payables	33	(5)	(3)	-	-
Net US Dollar exposure		(3)	(2)	-	-

ZAR exposure:

Current assets:

Trade and other receivables	24	53	31	-	-
Cash and cash equivalents	25	11	21	-	-

Current liabilities:

Trade and other payables	33	(563)	(352)	-	-
Net ZAR exposure		(499)	(300)	-	-

Exchange rates

Pula per unit of foreign currency:

South African Rand		1.3340	1.3390	-	-
United States Dollar		0.0750	0.0736	-	-

Average exchange rates

South African Rand		1.3355	1.3741	-	-
United States Dollar		0.0737	0.0736	-	-

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39. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective 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 and adjusts their translation 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.

Company	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Impact on profit or loss before tax:				
South African Rand denominated assets - banks	1	(1)	2	(2)
United States Dollar denominated assets - banks	1	(1)	2	(2)
South African Rand denominated assets - receivables	4	(4)	3	(3)
United States Dollar denominated assets - receivables	1	(1)	-	-
South African Rand denominated liabilities	(38)	38	(29)	29
United States Dollar denominated liabilities	(4)	4	(1)	1
	(35)	35	(23)	23

A 10% strengthening of the Botswana Pula against the above mentioned currencies at the reporting date would have had an equal but opposite effect on the Group's profit before taxation and equity to the amounts disclosed above.

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

Interest rate risk

The Group's interest rate risk arises from borrowings, cash and cash equivalents and loans. Fixed rate borrowings expose the Group to fair value interest rate risk. Variable rate borrowings, loans and cash and cash equivalents results in cash flow interest rate risks. Other than ensuring optimum money market rates for deposits, the Group does not make use of financial instruments to manage this risk.

The Group invests with reputable institutions and has obtained borrowings and overdraft facilities, which are subject to normal market interest rate risk. The effective annual interest rates on the Group's call deposits, long-term borrowings and bank overdrafts at year-end were as follows:

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Figures in Pula million

39. Financial instruments and risk management (continued)

Interest rate profile

The following are the Pula equivalent of the balances susceptible to interest rate risk:

	Note	Average effective interest rate		Carrying amount	
		2025	2024	2025	2024
Assets					
Call accounts denominated in Pula		2.00 to 4.00%	2.00 to 4.00%	9	2
Fixed deposits with banks		5.50% to 7.20%	5.50% to 7.20%	6	8
				15	10
Liabilities					
Borrowings	29	8.50 %	6.00 %	(264)	(446)
Lease liabilities	30	7.73 %	6.60 %	(902)	(977)
Bank overdraft	25	7.25 %	6.25 %	(85)	(81)
				(1 251)	(1 504)
Net variable rate financial instruments					
				(1 251)	(1 504)

Interest cost

	2025	2024
ABSA Bank of Botswana Limited (overdraft)	Prime plus 0.17%	Prime plus 0.17%
Stanbic Bank Botswana Limited (overdraft)	Prime plus 0.17%	Prime plus 0.17%
First National Bank Botswana Limited (overdraft)	Prime plus 0.17%	Prime plus 0.17%
ABSA Bank of Botswana Limited (term loan)	Prime plus 0.17%	Prime plus 0.17%
Stanbic Bank Botswana Limited (term loan)	Prime plus 0.81%	Prime plus 0.81%
First National Bank Botswana Limited (term loan)	Prime plus 0.81%	Prime plus 0.81%
ABSA Bank of Botswana Limited	Prime plus 2%	Prime plus 2%
Alensy Energy Solutions (Pty) Ltd	Prime plus 2%	Prime plus 2%
Scania Finance Southern Africa	Prime plus 2%	Prime plus 2%

Interest rate sensitivity analysis

With average interest rates as noted, an increase/decrease of 0.5% (2024: 0.5%) in the current interest rates during the reporting period would have increased/decreased the Group's profit before taxation and equity as disclosed below:

Group	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate by 0.5% (2024: 0.5%)				
Impact on profit or loss:				
Interest paid	7	(7)	4	(4)

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40. Business combinations

During the year, Choppies Namibia and Builders Mart Namibia purchased a store each:

	Choppies Namibia	Builders Mart Namibia	Total
Property plant and equipment	5.0	1.0	6.0
Inventories	1.0	1.0	2.0
Total identifiable net assets acquired	6.0	2.0	8.0
Goodwill	4.0	1.0	5.0
Purchase consideration	10.0	3.0	13.0

The purchase consideration was sourced from cash on hand.

The goodwill compromises the value of expected synergies arising from the acquisition which is not separately recognised. These synergies include expansion of product offerings, trade term agreements and overall availability of resources.

The acquisition-related costs were incurred during the financial year are immaterial and were included in administration expenses.

41. Discontinued operations or disposal groups

2025

The Group sold the assets of Zimbabwean segment in December 2024. The Kamoso general merchandise business Keriotic, the Kamoso South African liquor business Skywalker and the Kamoso Mediland business were discontinued during the June 2024 financial year. Any remaining assets and liabilities were transferred to continuing business.

The Operating losses of until the date of discontinuation and assets and liabilities are summarised as follows:

Profit or losses	Zimbabwe	Skywalker	Keriotic	Mediland	Group
Revenue	262	4	-	-	266
Gross profit	55	3	-	-	58
Other income	2	-	-	-	2
Expenses	(93)	(1)	-	-	(94)
Foreign exchange gains on Zimbabwe legacy debt receipts	16	-	-	-	16
Loss on sale of business	(14)	-	-	-	(14)
Loss on lease modifications and terminations	(8)	-	-	-	(8)
Net impairment (losses)/reversals	(4)	(1)	-	-	(5)
Net interest	-	-	-	-	-
Tax	-	-	-	-	-
	-	-	-	-	-
Net loss after tax	(46)	1	-	-	(45)

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Figures in Pula million

41. Discontinued operations or disposal groups (continued)

	Zimbabwe	Skywalker	Keriotic	Mediland	Group
Other comprehensive (loss) income					
Foreign currency translation reserve reclassified to profit or loss on disposal of the Zimbabwe segment	(338)	-	-	-	(338)
Hyper Inflationary reserve reclassified to profit or loss on disposal of the Zimbabwe segment	313	-	-	-	313
Total comprehensive loss for the year	(71)	1	-	-	(70)
Continuing operations - loss on sale of business	(14)	-	-	-	(14)
Discontinued operations - Net (loss)/profit after tax	(57)	1	-	-	(56)
Total operations - net (loss)/profit after tax	(71)	1	-	-	(70)
Liabilities					
Current Liabilities					
Trade and other payables	(35)	-	-	-	(35)
Loss from discontinued operations	(57)	1	-	-	(56)
Non-cash flow items					
Foreign Currency translation reserves reclassified to profit or loss on disposal of the Zimbabwe segment	338	-	-	-	338
Hyper Inflationary reserve reclassified to profit or loss on disposal of the Zimbabwe segment	(313)	-	-	-	(313)
Other	(2)	(1)	-	-	(3)
Net cash outflow	(34)	-	-	-	(34)

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Figures in Pula million

41. Discontinued operations or disposal groups (continued)

2024

Profit or losses	Zimbabwe	Skywalker	Keriotic	Mediland	Group
Revenue	541	28	4	84	657
Gross profit	124	4	3	6	137
Other income	3	-	-	1	4
Expenses	(180)	(6)	(6)	(34)	(226)
Foreign exchange gains on Zimbabwe legacy debts	55	-	-	-	55
Net impairment (Losses)/reversals	(15)	-	-	-	(15)
Net interest	(9)	-	-	(4)	(13)
Tax	(10)	-	-	8	(2)
Net loss after tax	(32)	(2)	(3)	(23)	(60)
Continuing operations - loss on sale of business	-	-	-	-	-
Discontinued operations - Net (loss)/profit after tax	(32)	(2)	(3)	(23)	(60)
Assets and liabilities					
Property, plant and equipment	37	-	-	8	45
Inventories	45	-	-	9	54
Trade and other receivables	4	-	-	12	16
Trade and other payables	79	-	-	24	103
Current tax receivable	-	-	-	14	14
Long-term borrowings including short-term portion	-	-	-	40	40
Loss from discontinued operations	(32)	(2)	(3)	(23)	(60)
Changes in working capital	40	2	(4)	15	53
Investing activities	(3)	(1)	-	1	(3)
Financing activities	(27)	-	1	37	11
Net increase/decrease in cash generated	(22)	(1)	(6)	30	1

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	Group	Company
Figures in Pula million	2025	2024
	2025	2024

42. Financial support

Choppies Distribution Centre (Pty) Ltd, a wholly owned subsidiary of Choppies Enterprises Ltd, has pledged its continued financial and operational support to certain subsidiaries of Choppies Enterprises Limited in order for these companies to continue operating as going concerns in the foreseeable future. Each of these companies is technically insolvent with their liabilities exceeding their assets.

The financial support provided by the Company will continue for each individual Company until such time as the equity and assets, fairly valued, exceed the liabilities for each of the respective individual companies.

Based on the ability of Choppies Distribution Centre (Pty) Ltd to continue providing such support, the individual financial statements of these technically insolvent companies have been prepared on the going concern assumption. The shareholders' surplus / (deficits) at the reporting date for each of the companies are summarised as follows:

Foreign subsidiaries in BWP millions

Choppies Supermarkets Namibia (Pty) Limited	-	-	(32)	14
Nanavac Investments (Pvt) Limited	-	-	-	(309)
Kamoso Africa (Pty) Limited Group	-	-	(33)	(4)
	-	-	(65)	(299)

43. Going concern

The Board evaluated the going concern assumption up to the date of signing of these financial statements, considering the current financial position and their best estimate of the cash flow forecasts and considered 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 and Company have more than sufficient liquidity to adequately support its working capital requirements and consequently, is satisfied with the Group's and Company's ability to continue as a going concern for the foreseeable future.

The forecasts prepared by management are by month up to September 2026. Management prepared both a base case and downside Profit or Loss and Statements of Cash flows. The base case considers latest trends and trading conditions.

The downside assumes a lower level of EBITDA and for each component of working capital we applied the financial year 2025 working capital movements to the financial years 2026 and 2027 downside and lowered working capital inflows to stress test.

The Groups current liabilities exceeds its current assets. This is fairly normal for a largely cash business with less than 5% of sales on credit. The current financial assets will not necessarily be the sole source of settling our current financial liabilities. We will settle the current liabilities out of future profits.

The Board, relying on management's assessment, is satisfied that the Group and Company are a going concern and therefore continue to apply the going concern assumption in the preparation of these financial statements.

44. Events after the reporting period

There have been no material changes in the affairs or financial position of the Group, the Company and its subsidiaries from 1 July 2025 to the date of this report.