A woman with dark curly hair, wearing a pink sweater and a white collared shirt, is smiling while shopping in a grocery store. She is holding a roll of plastic wrap. The background shows shelves stocked with various fruits and vegetables, including bags of carrots and boxes of oranges. The store has a red and green striped ceiling.

**CHOPPIES**

*Great value for your money!*

Unaudited Interim Group  
Financial Results for the  
six months ended  
**31 December 2025**  
And cash dividend  
declaration

25

**Our shared value journey**



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

## Corporate information

Registration number:  
BW00001142508

## JSE

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

## BSE

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

## Registered office

Plot 28892, Twin Towers, Fairground  
Gaborone, Botswana

## Sponsors

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

## Company secretary

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

## Auditors

Forvis Mazars, Plot 139, Finance Park  
Gaborone, Botswana

## For and on behalf of the Board

**DKU Corea**

*Chairman*

**R Ottapathu**

*Chief Executive Officer*

25 March 2026

# SALIENT FEATURES

Group retail sales

8.9%



2024 2025

Earnings before interest and tax

(20.0%)



2024 2025

Adjusted earnings before interest and tax

(28.9%)



2024 2025

Profit after tax from continuing operations

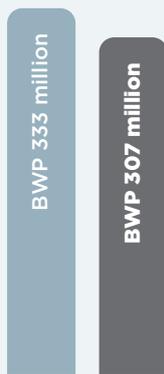
(33.0%)



2024 2025

EBITDA

(7.8%)



2024 2025

Adjusted EBITDA

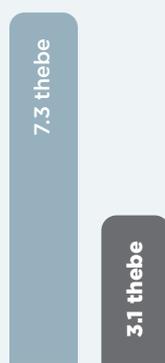
(13.5%)



2024 2025

Headline earnings per share - thebe

(57.5%)



2024 2025

Free cash flow

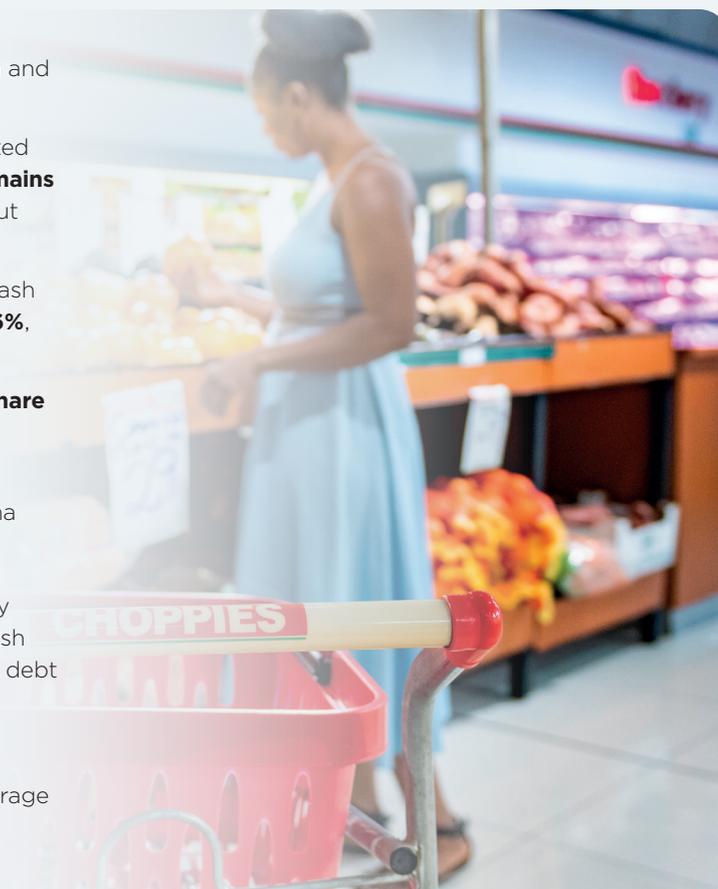
122.6%



2024 2025

## OTHER HIGHLIGHTS

- ▶ All Choppies segments – Botswana, Namibia and Zambia – **achieved profitable EBITDA**
- ▶ Although profitability was temporarily impacted by macroeconomics, revenue momentum **remains strong**. The demand contraction is cyclical, but food retail fundamentals remain intact
- ▶ Free cash flow up **BWP 65 million** and net cash generated from operating activities **grew 6.6%**, despite the decline in profits
- ▶ Interim dividend of **1.0 thebe per ordinary share declared** (subject to withholding tax) (2024: 1.6 thebe)
- ▶ Continued to pay the living wage in Botswana
- ▶ **626** additional employees
- ▶ Consortium debt of **BWP 82 million** was fully repaid in January 2026 funded by internal cash resources of **BWP 35 million** and short-term debt of **BWP 47 million**
- ▶ Store footprint **increased by 25 stores**
- ▶ Building scale now to capture operating leverage during recovery.



### Statistics

	December 2025	December 2024	Change	June 2025	Change
<b>Number of stores</b>	<b>302</b>	277	25	287	15
<b>Supermarkets</b>	<b>184</b>	168	16	174	10
Choppies Botswana	<b>116</b>	107	9	111	5
Choppies Namibia	<b>24</b>	23	1	23	1
Choppies Zambia	<b>44</b>	38	6	40	4
<b>Liquor and hardware</b>	<b>118</b>	109	9	113	5
Liquorama Botswana	<b>87</b>	82	5	85	2
Builders Mart Botswana	<b>29</b>	27	2	27	2
Builders Mart Namibia	<b>2</b>	-	2	1	1
<b>Number of employees</b>	<b>11 849</b>	11 223	626	11 393	456
Supermarkets	<b>10 589</b>	10 040	549	10 192	397
Liquor and hardware	<b>1 020</b>	927	93	945	75
Milling and manufacturing	<b>240</b>	256	(16)	256	(16)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>Figures in Pula millions</i>	<b>Unaudited six months ended 31 December 2025 BWPm</b>	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
<b>Continuing operations</b>			
Revenue	<b>5 125</b>	4 717	9 173
<b>Retail sales</b>	<b>5 091</b>	4 677	9 107
Cost of sales	<b>(4 084)</b>	(3 712)	(7 214)
<b>Gross profit</b>	<b>1 007</b>	965	1 893
Other operating income	<b>34</b>	40	66
<b>Expenditure</b>	<b>(889)</b>	(815)	(1 641)
Profit on disposal of plant and equipment	<b>1</b>	-	2
Net impairment losses	<b>-</b>	(9)	(7)
Gain on derecognition of payables	<b>20</b>	-	-
Loss on sale of business	<b>-</b>	(14)	(14)
Administrative expenses	<b>(792)</b>	(677)	(1 400)
Selling and distribution expenses	<b>(23)</b>	(27)	(53)
Foreign exchange (losses)/gain on lease liability	<b>-</b>	(6)	2
Expected credit loss movement	<b>(1)</b>	(4)	(4)
Other operating expenses	<b>(94)</b>	(78)	(167)
<b>Operating profit before interest</b>	<b>152</b>	190	318
Finance income	<b>-</b>	1	1
Finance costs	<b>(53)</b>	(52)	(101)
<b>Profit before taxation</b>	<b>99</b>	139	218
Taxation	<b>(22)</b>	(24)	(67)
<b>Profit from continuing operations</b>	<b>77</b>	115	151
Loss from discontinued operations	<b>-</b>	(30)	(56)
<b>Total profit for the period</b>	<b>77</b>	85	95
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translating foreign operations	<b>10</b>	1	18
Hyper-inflationary reserve reclassified	<b>-</b>	312	338
Foreign currency translation reserve reclassified	<b>-</b>	(351)	(313)
	<b>10</b>	(38)	43
<b>Total comprehensive profit for the year</b>	<b>87</b>	47	138
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the parent	<b>77</b>	83	97
Non-controlling interest	<b>-</b>	2	(2)
	<b>77</b>	85	95
<b>Profit/(loss) for the period attributable to:</b>			
<b>Owners of the company</b>			
From continuing operations	<b>77</b>	112	153
From discontinued operations	<b>-</b>	(29)	(56)
	<b>77</b>	83	97
<b>Non-controlling interests</b>			
From continuing operations	<b>-</b>	2	(2)
From discontinued operations	<b>-</b>	-	-
	<b>-</b>	2	(2)
<b>Total comprehensive profit/(loss) attributable to:</b>			
Owners of the parent	<b>85</b>	45	140
Non-controlling interest	<b>2</b>	2	(2)
	<b>87</b>	47	138
<b>Basic earnings/(loss) per share - thebe</b>			
Continuing operations	<b>4.2</b>	6.1	8.4
Discontinuing operations	<b>-</b>	(1.6)	(3.1)
	<b>4.2</b>	4.5	5.3
<b>Diluted earnings/(loss) per share - thebe</b>			
Continuing operations	<b>4.2</b>	6.0	8.3
Discontinuing operations	<b>0.0</b>	(1.5)	(3.0)
	<b>4.2</b>	4.5	5.3

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Figures in Pula millions</i>	<b>Unaudited 31 December 2025 BWPm</b>	Unaudited 31 December 2024 BWPm	Audited 30 June 2025 BWPm
<b>Assets</b>			
<b>Non-current assets</b>	<b>1 934</b>	1 690	1 847
Property, plant and equipment	<b>1 061</b>	833	948
Right-of-use assets	<b>686</b>	661	712
Goodwill	<b>111</b>	108	110
Intangible assets	<b>10</b>	7	9
Loans to related entities	<b>42</b>	41	41
Deferred tax	<b>24</b>	40	27
<b>Current assets</b>	<b>1 152</b>	1 251	1 088
Inventories	<b>753</b>	741	644
Trade and other receivables	<b>273</b>	346	262
Taxation refundable	<b>6</b>	13	12
Cash and cash equivalents	<b>120</b>	151	170
<b>Total assets</b>	<b>3 086</b>	2 941	2 935
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>301</b>	199	224
Stated capital	<b>1 207</b>	1 207	1 207
Treasury shares	<b>(27)</b>	(32)	(28)
Foreign currency translation reserve	<b>(350)</b>	(362)	(358)
Retained loss	<b>(403)</b>	(491)	(469)
Non-controlling interests	<b>(126)</b>	(123)	(128)
<b>Non-current liabilities</b>	<b>794</b>	837	790
Long-term borrowings	<b>113</b>	166	112
Lease liabilities	<b>636</b>	633	636
Deferred taxation liabilities	<b>45</b>	38	42
<b>Current liabilities</b>	<b>1 991</b>	1 905	1 921
Trade and other payables	<b>1 560</b>	1 405	1 388
Current portion of long-term borrowings	<b>111</b>	139	151
Current portion of lease liabilities	<b>233</b>	248	266
Taxation payable	<b>16</b>	34	31
Bank overdraft	<b>71</b>	79	85
<b>Total liabilities</b>	<b>2 785</b>	2 742	2 711
<b>Total equity and liabilities</b>	<b>3 086</b>	2 941	2 935

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Figures in Pula millions</i>	Stated capital BWPm	Treasury shares BWPm	Foreign currency translation reserve BWPm	Hyper-inflationary reserve BWPm	Retained earnings/(loss) BWPm	Attributable to equity holders BWPm	Non-controlling interest BWPm	Total BWPm
<b>Balance as at 1 July 2024 (audited)</b>	1 207	(32)	(714)	312	(512)	261	(125)	136
Total comprehensive income/(loss) for the period	-	-	352	(312)	44	84	2	86
Profit for the year	-	-	-	-	83	83	2	85
Other comprehensive income/(loss)	-	-	352	(312)	(39)	1	-	1
Share-based payments	-	-	-	-	3	3	-	3
Total distributions to owners of company recognised directly to equity	-	-	-	-	(26)	(26)	-	(26)
<b>Balance as at 31 December 2024 - unaudited</b>	1 207	(32)	(362)	-	(491)	322	(123)	199
Total comprehensive income/(loss) for the period	-	-	4	-	53	57	(5)	52
Profit/(loss) for the year	-	-	-	-	14	14	(4)	10
Other comprehensive income/(loss)	-	-	4	-	39	43	(1)	42
Share-based payments	-	4	-	-	(2)	2	-	2
Total distributions to owners of company recognised directly to equity	-	-	-	-	(29)	(29)	-	(29)
<b>Balance as at 30 June 2025 - audited</b>	<b>1 207</b>	<b>(28)</b>	<b>(358)</b>	<b>-</b>	<b>(469)</b>	<b>352</b>	<b>(128)</b>	<b>224</b>
Total comprehensive income for the period	-	-	8	-	77	85	2	87
Profit for the year	-	-	-	-	77	77	-	77
Other comprehensive income	-	-	8	-	-	8	2	10
Share-based payments	-	1	-	-	-	1	-	1
Total distributions to owners of company recognised directly to equity	-	-	-	-	(11)	(11)	-	(11)
<b>Balance as at 31 December 2025 - unaudited</b>	<b>1 207</b>	<b>(27)</b>	<b>(350)</b>	<b>-</b>	<b>(403)</b>	<b>427</b>	<b>(126)</b>	<b>301</b>

The Choppies Zimbabwe segment foreign currency translation reserve and hyper-inflationary reserve were reclassified to retained earnings on disposal of the segment.

## HEADLINE EARNINGS PER SHARE COMPUTATION

<i>Figures in Pula millions</i>	<b>Unaudited six months ended 31 December 2025 BWPm</b>	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
<b>Basic earnings</b>	<b>77</b>	112	153
Profit on disposal of asset	(1)	-	(2)
Impairment losses	-	9	7
Loss on sale of business	-	14	14
Gain on derecognition of payables	(20)	-	-
Non-controlling interest	-	-	-
Tax impact	-	(1)	(1)
<b>Headline earnings</b>	<b>56</b>	134	171
Number of shares for basic earnings	<b>1 824 461 674</b>	1 824 461 674	1 824 461 674
Weighted average number of shares	<b>1 824 461 674</b>	1 824 461 674	1 824 461 674
Diluted weighted average number of shares	<b>1 846 857 355</b>	1 852 580 135	1 846 857 355
Headline earnings per share - thebe	<b>3.1</b>	7.3	9.4
Diluted headline earnings per share - thebe	<b>3.0</b>	7.2	9.3

## FREE CASH FLOW COMPUTATION

<i>Figures in Pula millions</i>	<b>Unaudited six months ended 31 December 2025 BWPm</b>	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
<b>EBITDA</b>	<b>307</b>	333	620
Tax paid	(26)	(20)	(46)
Net interest paid	(50)	(49)	(91)
Changes in working capital	<b>54</b>	(6)	158
Maintenance capital expenditure	(40)	(67)	(109)
Lease liability	(127)	(138)	(248)
<b>Free cash flow</b>	<b>118</b>	53	284
Change over last year	<b>65</b>		

# CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Figures in Pula millions</i>	<b>Unaudited six months ended 31 December 2025 BWPm</b>	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
<b>Cash flows from operating activities</b>			
Profit before taxation	<b>99</b>	139	218
<b>Adjustments for:</b>	<b>208</b>	217	403
Depreciation, write-off and amortisation	<b>154</b>	135	288
(Loss)/profit on disposals of plant and equipment	<b>(1)</b>	8	(2)
Loss on disposal of business	<b>-</b>	14	14
Finance income	<b>-</b>	(1)	(1)
Finance costs	<b>53</b>	52	101
Foreign exchange (gains)/losses on leases	<b>-</b>	6	(2)
Share-based payments	<b>2</b>	3	5
<b>Changes in working capital:</b>	<b>54</b>	(6)	158
Movement in inventories	<b>(109)</b>	(77)	21
Movement in trade and other receivables	<b>(11)</b>	(108)	(23)
Movement in trade and other payables	<b>174</b>	179	160
<b>Cash generated from operations</b>	<b>361</b>	350	779
Interest income	<b>-</b>	-	1
Dividends paid	<b>(11)</b>	(26)	(55)
Taxation paid	<b>(26)</b>	(20)	(46)
<b>Net cash generated from operating activities</b>	<b>324</b>	304	679
<b>Cash flows from investing activities</b>			
<b>Net cash (used in)/generated from investing activities</b>	<b>(127)</b>	(156)	(329)
Purchase of property, plant and equipment	<b>(130)</b>	(142)	(281)
Proceeds on disposal of property, plant and equipment	<b>4</b>	2	3
Purchase of intangible assets	<b>(1)</b>	(1)	(4)
Discontinued operations	<b>-</b>	(15)	(34)
Acquisition of business	<b>-</b>	-	(13)
<b>Cash flows from financing activities</b>			
<b>Net cash used in financing activities</b>	<b>(218)</b>	(211)	(396)
Purchase of treasury shares	<b>(1)</b>	-	-
Financing obtained from third parties	<b>15</b>	21	36
Capital payments of long-term liabilities	<b>(55)</b>	(45)	(92)
Lease payments	<b>(127)</b>	(138)	(248)
Interest paid on borrowings	<b>(50)</b>	(49)	(92)
<b>Net movement in cash and cash equivalents</b>	<b>(21)</b>	(63)	(46)
Cash and cash equivalents at beginning of the year	<b>85</b>	125	125
Effect of foreign currency translation on foreign currency balances	<b>(15)</b>	10	6
<b>Cash and cash equivalents at end of the year</b>	<b>49</b>	72	85

# OPERATING SEGMENTAL INFORMATION

December 2025 unaudited BWP millions	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter- segment or unallocated	Total Group
<b>Statement of profit or loss and other comprehensive income</b>							
Revenue	3 040	533	983	510	288	(229)	5 125
Retail sales	2 991	532	983	506	288	(209)	5 091
Gross profit	620	87	157	69	61	13	1 007
<b>Operating profit/ (loss) (EBIT)</b>	<b>125</b>	<b>(8)</b>	<b>5</b>	<b>(1)</b>	<b>23</b>	<b>8</b>	<b>152</b>
Add back							
Depreciation and amortisation	92	15	16	19	13	-	155
Impairment losses	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>217</b>	<b>7</b>	<b>21</b>	<b>18</b>	<b>36</b>	<b>8</b>	<b>307</b>
<b>Adjustments to EBITDA</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>(7)</b>
Profit on disposal of plant and equipment	(1)	-	-	-	-	-	(1)
Movement in credit loss allowance	1	-	-	-	-	-	1
Diesel costs to mitigate load-shedding	-	-	13	-	-	-	13
Foreign exchange (gains) on lease liability	-	-	-	-	-	-	-
Gain on derecognition of payables	-	-	-	-	-	(20)	(20)
<b>Adjusted EBITDA</b>	<b>217</b>	<b>7</b>	<b>34</b>	<b>18</b>	<b>36</b>	<b>(12)</b>	<b>300</b>
<b>Operating profit/ (loss) (EBIT)</b>	<b>125</b>	<b>(8)</b>	<b>5</b>	<b>(1)</b>	<b>23</b>	<b>8</b>	<b>152</b>
Adjustments to EBITDA as above	-	-	13	-	-	(20)	(7)
<b>Adjusted EBIT</b>	<b>125</b>	<b>(8)</b>	<b>18</b>	<b>(1)</b>	<b>23</b>	<b>(12)</b>	<b>145</b>
<b>Statement of financial position</b>							
Assets	1 560	374	510	234	238	170	3 086
Liabilities	1 546	317	356	259	268	39	2 785

# OPERATING SEGMENTAL INFORMATION continued

<b>December 2024 unaudited BWP millions</b>	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter- segment or unallocated	Total Group
<b>Statement of profit or loss and other comprehensive income</b>							
Revenue	2 948	442	715	554	268	(210)	4 717
Retail sales	2 905	441	715	551	268	(203)	4 677
Gross profit	631	78	121	68	58	9	965
<b>Operating profit/(loss) (EBIT)</b>	(164)	6	17	2	14	315	190
Add back							
Depreciation and amortisation	86	12	11	15	11	(1)	134
Impairment losses	9	-	-	-	-	-	9
Impairment losses - Zimbabwe loan	328	-	-	-	-	(328)	-
<b>EBITDA</b>	259	18	28	17	25	(14)	333
<b>Adjustments to EBITDA</b>	4	-	24	-	-	(14)	14
Profit on disposal of plant and equipment	-	-	-	-	-	-	-
Movement in credit loss allowance	4	-	-	-	-	-	4
Diesel costs to mitigate load-shedding	-	-	18	-	-	-	18
Foreign exchange losses on lease liability	-	-	6	-	-	-	6
Profit on sale of business	-	-	-	-	-	(14)	(14)
<b>Adjusted EBITDA</b>	263	18	52	17	25	(28)	347
<b>Operating profit/(loss) (EBIT)</b>	(164)	6	17	2	14	315	190
Adjustments to EBITDA as above	4	-	24	-	-	(14)	14
Impairment losses	328	-	-	-	-	(328)	-
<b>Adjusted EBIT</b>	168	6	41	2	14	(27)	204
<b>Statement of financial position</b>							
Assets	1 614	308	382	307	318	12	2 941
Liabilities	1 610	241	284	185	377	45	2 742

# OPERATING SEGMENTAL INFORMATION continued

<b>June 2025 audited BWP millions</b>	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter- segment or unallocated	Total Group
<b>Statement of profit or loss and other comprehensive income</b>							
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
<b>Operating profit/ (loss) (EBIT)</b>	(29)	(9)	41	(18)	21	312	318
Add back							
Depreciation and amortisation	182	25	21	32	24	11	295
Impairment losses	7	-	-	-	-	-	7
Impairment losses - Zimbabwe loan	339	-	-	-	-	(339)	-
<b>EBITDA</b>	499	16	62	14	45	(16)	620
<b>Adjustments to EBITDA</b>	3	-	32	-	-	14	49
Profit on disposal of plant and equipment	(1)	-	(1)	-	-	-	(2)
Movement in credit loss allowance	4	-	-	-	-	-	4
Diesel costs to mitigate load-shedding	-	-	35	-	-	-	35
Foreign exchange losses on lease liability	-	-	(2)	-	-	-	(2)
Profit on sale of business	-	-	-	-	-	14	14
<b>Adjusted EBITDA</b>	502	16	94	14	45	(2)	669
<b>Operating profit/ (loss) (EBIT)</b>	(29)	(9)	41	(18)	21	312	318
Adjustments to EBITDA as above	3	-	32	-	-	14	49
Impairment losses/(gain)	346	-	-	1	-	(328)	19
<b>Adjusted EBIT</b>	320	(9)	73	(17)	21	(2)	386
<b>Statement of financial position</b>							
Assets	1 603	290	444	248	170	180	2 935
Liabilities	1 605	232	289	185	339	61	2 711

# COMMENTARY

## 1. Nature of business

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

Each week, approximately 2.5 million customers visit 302 stores across seven formats in three countries. With an annual revenue of more than BWP 9 billion, Choppies employs over 11 000 people and competes against retailers, wholesalers and the informal market in both rural and urban Africa.

## 2. Basis of preparation and accounting policies

The unaudited interim consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with the requirements of the BSE Limited (“BSE Listings Requirements”) and JSE Limited (“JSE Listings Requirements”), as well as the requirements of the Botswana Companies Act, as amended.

The interim reports have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards and contain the information required by IAS 34 *Interim Financial Reporting*.

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

## Use of adjusted measures

Adjusted EBITDA and adjusted EBIT in the operating segmental information are EBITDA or EBIT excluding foreign exchange rate differences on IFRS 16 lease liabilities, cost of diesel to mitigate load-shedding, profit or loss on sale of assets, and gain on derecognition of payables.

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

## 3. Directors’ responsibility for the consolidated financial statements

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

## 4. Going concern

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

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

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

## 5. Group results

### Statement of profit or loss and segmental report

Revenue has been disaggregated as follows:

<i>Figures in Pula millions</i>	<b>December 2025</b>	December 2024	June 2025
<b>Revenue</b>	<b>5 125</b>	4 717	9 173
Sales of merchandise and liquor	<b>5 132</b>	4 612	9 153
Milling and manufacturing	<b>168</b>	269	312
Commission received on financial services	<b>27</b>	22	45
Rental income	<b>3</b>	2	5
Transportation income	<b>2</b>	2	12
Miscellaneous income	<b>2</b>	13	4
Inter-segmental sales	<b>(209)</b>	(203)	(358)

The following impacted Group profitability:

- Reduced consumer liquidity driven by the Botswana diamond market slump
- Devaluation of the Pula to combat economic strain from a severe downturn in the global diamond market
- Constrained spending due to Botswana government's austerity measures
- Inflationary cost base
- New stores not yet reaching the maturity curve
- Implementation of living wage in Botswana
- Government subsidised commodities in Namibia
- Deflation on key food lines in Zambia due to the Kwacha appreciating
- Promotional intensity in a constrained consumer market.

The Group's retail sales increased by 8.9% to BWP 5 091 million (2024: BWP 4 677 million), driven by 25 new stores, inflation, and volume growth. Choppies segments achieved volume growth of 3.8% and price growth of 7.1%, while sales for like-for-like stores increased by 2.9%.

The gross profit margin declined by 0.8% to 19.8% (2024: 20.6%) due to lower margins in all segments except Liquorama. The Liquorama gross profit margin improved from 12.3% to 13.6% compared to the prior year.

In Pula terms, gross profit increased by 4.4% to BWP 1 007 million (2024: BWP 965 million), despite the competitive and challenging economic environment.

Total expenses increased by 9.1% due to new stores, inflation, the derecognition of payables and loss on the sale of businesses in the previous year. The loss of BWP 14 million last year relates to the sale of the Zimbabwe segment and this year included a gain from the derecognition of payables resulting from the discontinued operations of Kenya, Tanzania and Mozambique, which were shut down in the 2019 financial year.

Excluding the derecognition and loss on sale of businesses, total expenses increased by 13.5%.

Operating profit (EBIT) decreased by 20.0% from BWP 190 million to BWP 152 million. Adjusted EBIT decreased by 28.9% from BWP 204 million to BWP 145 million. The EBIT decline is due to costs growing at a much faster rate than Pula gross profit.

Net finance costs grew 1.9% due to lower debt offset by higher interest on leases as a result of new stores.

The effective tax rate of 22.2% (2024: 17.3%) is slightly higher than the standard rate primarily due to losses in Namibia for which we have not yet raised any deferred tax, and non-taxable gain on derecognition of payables. Last year's rate was lower than the standard rate due to deferred tax raised on carried forward tax losses in the Zambia segment.

### Statement of financial position and cash flows

The Group reduced non-IFRS 16 debt by BWP 55 million despite investing BWP 127 million in new stores and logistics. Working capital improved from BWP 6 million outflow in the prior year to this year's inflow of BWP 54 million, strengthening liquidity.

During January 2026, the Group settled in full the consortium debt raised in 2021.

Working capital efficiencies improved as inventory days reduced from 36 to 33 days, receivable days reduced from 14 to 10 days and payable days increased slightly from 69 to 70 days.

We are managing inventory better as we accelerate the use of our inventory optimisation software. Accounts receivable days reduced as we funded the mobile money wallets externally. Period-end payables are higher than last year due to growth in sales, inflation and new stores.

## 6. Operational overview

### Choppies Botswana

Botswana's economy – traditionally a stable, high-growth, diamond-dependent upper-middle-income nation – faced a challenging 2025 due to a severe, ongoing slump in the global market. The economy contracted in 2024 and 2025, leading to fiscal deficits, reduced foreign reserves and urgent efforts to accelerate economic diversification away from diamond mining. There is a strong focus on transitioning from diamond mining to other sectors, including copper and rare earth minerals, and services and manufacturing, with non-mineral GDP (now circa 76%) growing in importance.

The government has introduced severe austerity measures, including extending restrictions on travel, overtime and the issuing of government purchase orders (“GPOs”) through to March 2026. The controls, initially introduced to slow cash outflows, have curbed new spending commitments but intensified strain on suppliers already facing delayed payments and weak demand.

As a consequence of the slump in the diamond market and government austerity measures, consumer demand collapsed from July 2025 due to reduced household spending and high economic pressure. This led to competitors with excess inventory as consumers, facing rising costs for essentials, significantly decreasing their purchases of foods and other groceries. Retail turnover was impacted by aggressive competitor discounting activity over the reported trading period. Inflation was elevated due to the unexpected devaluation of the Pula in July 2025. The devaluation resulted in incremental costs of BWP 64 million, which could not be passed on to customers.

Sales from Botswana increased by 3.0%, with like-for-like sales declining 1.1% due to the weaker economy in Botswana, but the business showed strong resilience in an increasingly challenging economic environment. Sales increased to BWP 2 991 million (2024: BWP 2 905 million), supported by volume decline of 3.8%, price inflation of 5.9%, and nine new stores.

EBITDA and adjusted EBITDA decreased by 16.2% and 17.5%, respectively, as gross profit increased slower than costs. The gross profit rate declined by 1.0%. New stores and inflation drove costs. The new stores opened over the last 12 months will need time to reach full potential.

The introduction of the living wage in this segment has placed short-term pressure on profitability but is expected to strengthen long-term employee retention and brand reputation.

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

Our 21st anniversary promotion in October significantly boosted store traffic and customer engagement, as we provided a fully furnished two-bedroom house as a prize. This offset the negative impact of the weak economy. A loyalty programme was launched to deepen retention and we will accelerate the penetration rate in the balance of the financial year.

### Choppies Namibia

Namibia is a lower-middle-income country with an economy based on mining, fishing and agriculture, facing high inequality (second-highest Gini coefficient globally) and high unemployment. While experiencing a post-Covid recovery, growth is slowing due to weak diamond demand and droughts. The economy is in a cautious transition, with high debt and potential, yet uncertain, future boosts from oil, gas and green hydrogen projects. The economy faces structural challenges but is seeking to diversify beyond traditional mining and agriculture to improve long-term sustainability.

Namibia experienced sales growth of 20.6% and like-for-like sales growth of 9.6%. From July 2025 to November 2025, the Namibian government introduced subsidies for commodities primarily aimed at boosting food security. Maize, pilchards, soya, rice and oil were subsidised. These are major contributors to sales for Choppies Namibia, putting pressure on overall sales and leading to lower margins and profitability.

EBITDA declined 61.1% and EBIT last year of BWP 6 million moved to a loss this year of BWP 8 million.

The segment needs more stores to achieve scale and its full potential for the brand in this country.

## 6. Operational overview continued Choppies Zambia

In 2025, Zambia's economic situation was characterised by a significant, yet fragile, rebound from the 2023 to 2024 economic downturn caused by severe drought and high debt. The economy is experiencing a recovery driven by improved agricultural output, mining sector growth and restored investor confidence following debt restructuring.

While latest GDP indicators show growth, driven by mining, agriculture and other sectors, the wholesale and retail component of GDP experienced negative growth. Wholesale and retail are experiencing deflation due to the appreciation of the Kwacha.

The Kwacha has experienced a 11% appreciation against the Pula since the end of the last half year, primarily due to stronger copper export revenues and mining tax payments, alongside tightening of monetary policy by the Bank of Zambia. Other contributing factors include improved investor confidence stemming from debt restructuring progress, a sovereign credit rating upgrade, and a government policy fostering local currency usage.

Although inflation has moderated, household purchasing power continues to be strained by high food, energy, housing and transport costs. The country faces persistently high unemployment and underemployment levels, particularly among youth, women and urban informal workers.

All these factors led to lower margins or lower profitability.

Zambia experienced sales growth of 37.5% in Pula value, equating to an increase of 23.0% in Kwacha value, like-for-like sales growth of 11.7% in Pula value, and like-for-like sales growth of negative 0.2% in Kwacha value. Six new stores were opened during the year.

In Pula terms, adjusted EBITDA declined 34.6% and adjusted EBIT declined 56.1%.

## Choppies Botswana – Liquorama segment

Sales decreased 8.2%, driven by the weak economy and offset by five new stores. Like-for-like sales declined by 10.9%. The gross profit rate increased from 12.3% in the prior year to 13.6% this year due to better control over promotions.

EBITDA increased by 5.9% and EBIT reduced to a loss of BWP 1 million (2024: profit of BWP 2 million) attributable to incremental depreciation on new stores.

## Rest of Choppies segment

The Rest of Choppies segment includes the milling, manufacturing and hardware businesses. The milling and manufacturing businesses are profitable.

The hardware segment losses narrowed from BWP 4 million to BWP 1 million. It will take another six to 12 months to turn around this business, including opening new stores and expanding into the other countries in which Choppies currently operates.

Overall, the Rest of Choppies segment increased adjusted EBIT from BWP 14 million in the last year to a profit of BWP 23 million this year.

## 7. Related-party transactions

Related-party purchases amounted to BWP 313 million (2024: BWP 303 million).

## 8. Events after the reporting date

The corporate tax rate in Botswana will increase from 22.0% to 23.5% with effect from the June 2027 financial year. The effect on deferred tax will be adjusted for those deferred tax benefits or deductions expected to be obtained or incurred during the June 2027 financial year. The impact on the June 2027 opening balance will be an approximately BWP 2 million increase in net liabilities.

## 9. Outlook

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

## 9. Outlook continued

The Botswana government is implementing tax reforms (e.g., increased VAT on digital services, higher corporate tax and higher personal income tax) to manage a projected budget deficit.

The country is actively pursuing economic diversification to minimise vulnerability to external shocks, investing in infrastructure and promoting sectors like solar energy to ensure long-term, sustainable growth.

Despite challenges, Botswana maintains a strong, stable institutional framework with low corruption, making it one of Africa's most developed economies. The demand contraction is cyclical and not a structural slowdown, and food retail fundamentals remain intact.

Africa's structural tailwinds remain intact. Long-term demand drivers include rapid urbanisation and population growth, underpenetrated formal grocery retail markets, infrastructure investment unlocking regional trade and a shift toward organised value retail channels.

Choppies is positioned at the value end of this transformation with the unique ability to operate in both urban and rural Africa, as well as compete in the wholesale, retail and informal segments.

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

Our strategic priorities remain:

- Consolidating profitability in Botswana, Namibia and Zambia
- Completing the turnaround of Builders Mart and Liquorama
- Extracting efficiencies from distribution and inventory systems
- Maintaining cost discipline amid macro-volatility
- Rolling out the new ERP
- Maintaining financial discipline
- Advancing ESG initiatives.

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

## 10. Distribution to shareholders – ordinary dividend number 11

The Board has declared an interim dividend (number 11) of 1.0 thebe per ordinary share (2024: 1.6 thebe), payable on 29 April 2026.

The dividend reflects a 25% payout ratio, aligned with the Group's dividend cover policy of three times earnings (excluding non-cash derecognition of payables gain of BWP 20 million). The dividend has been declared out of income reserves.

The reduced thebe dividend reflects lower profitability due to regional economic pressures.

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

	<b>2026</b>
Declaration date	<b>Wednesday, 25 March</b>
Last day to trade cum dividend	<b>Tuesday, 14 April</b>
Trading ex-dividend commences	<b>Wednesday, 15 April</b>
Record date	<b>Friday, 17 April</b>
Dividend payment date	<b>Wednesday, 29 April</b>

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

- The local dividends tax rate is 10%. The net local dividend amount is 1.0 thebe per share for shareholders exempt from paying dividends tax and 0.9 thebe per share for shareholders liable to pay dividends tax
- The issued ordinary share capital of the Company as at the date of this declaration is 1 824 461 674 ordinary shares.

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

	<b>2026</b>
Declaration date	<b>Wednesday, 25 March</b>
Currency determination date	<b>Friday, 10 April</b>
Currency conversion rates announced (finalisation announcement)	<b>Monday, 13 April</b>
Last day to trade cum dividend	<b>Tuesday, 14 April</b>
Trading ex-dividend commences	<b>Wednesday, 15 April</b>
Record date	<b>Friday, 17 April</b>
Dividend payment date	<b>Wednesday, 29 April</b>

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