

CHOPPIES

Great value for your money!

CHOPPIES ENTERPRISES LIMITED

Registration number 2004/1681

ISIN:BW0000001072

JSE SHARE CODE: CHP

BSE SHARE CODE: CHOPPIES

Tax Reference Number: C08710401018

“Choppies” or the “Company” or “the Group”

ABRIDGED UNAUDITED GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

The Board of Choppies Enterprises Limited announces the results of the Group for the six months ended 31 December 2019.

Financial highlights

- These results were published late due to changes in auditors as well as the legal and forensic investigations on some of the matters raised by the auditors which reports were only concluded and released during September 2019. These events, coupled with the outbreak of COVID 19 and the lockdowns in the countries in which the Group operates, resulted in the delay in publication.
- The accounting policies applied during the period are consistent with those applied in the previous year except for the introduction of IFRS 16 Leases which has been applied retrospectively. The disclosure of the Group's results are affected by the decision of the Board to discontinue or dispose of its operations in South Africa, Kenya, Tanzania, and Mozambique. Accordingly, the results of these operations are disclosed in terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.
- The Group recorded a negative equity mainly due to unrealized foreign currency translation reserves and trading losses from regions that were discontinued since the June 2019 year-end. The negative Group equity gave rise to extensive investigations into the ability of the Company and Group being able to operate as going concerns for the next year and medium term thereafter. The Board does not expect any material uncertainty over its ability to continue as a going concern in the foreseeable future.
- Group revenue from the continued operations reduced by 17% to P 2 969 million (2018: P 3 596 million). This reduction was a direct result of a further weakening of the Zimbabwe currency against the Pula. Gross profit margins improved slightly to 22.9% (2018: 22.5%) following another good performance in the Botswana operations.
- Profit for the period decreased to P66 million (2018 P77 million) due to the continual weakening of the Zimbabwe currency.
- The Company has a policy of declaring dividends once a year based on the annual results.

**Key financial data -
continuing businesses only
(unaudited)**

	2019	2018	Change
	Pula Millions	Pula Millions	
Revenue	2,969	3,596	(17%)
Gross profit	680	810	(16%)
Gross margin	22.9%	22.5%	40 bps
Operating profit	145	115	25%
Operating margin	4.9%	3.2%	166 bps
Profit for the period	66	77	(15%)
Earnings per share basis	5.2 Thebe	5.8 Thebe	(10%)
Headline earnings per share basic	5.5 Thebe	7.3 Thebe	(25%)
Net cash flows generated from operating activities	244	266	(23)
Cash and cash equivalents at end of the period	(115)	152	(267)

This short form announcement is the responsibility of the Board of Directors of Choppies Enterprises Limited and is a summary of the information in the full announcement available on the Stock Exchange News Service ("SENS") at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/CHP/CHPDEC19.pdf> and on the Group's website: <https://choppiesgroup.com/investor-relations/>.

This announcement does not contain full details and should not be used as a basis for any investment decision in relation to the Company's shares. The full announcement is also available for inspection, at no charge, at the Company's registered office (Plot 50371, Fairgrounds office park, Gaborone, Botswana.) and the office of the Sponsor during standard office hours.

Sponsors:

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24 JULY 2020

The Company's primary listing is on BSEL and its secondary listing is on JSE. The listings in both exchanges are currently suspended.