



**ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited 26 weeks ended 29 October 2023 P'm	Unaudited 27 weeks ended 30 October 2022 P'm	Audited 53 weeks ended 30 April 2023 P'm
Revenue	4 682.7	4 500.8	9 116.2
Cost of sales	(4 347.1)	(4 188.4)	(8 440.5)
Gross profit	335.6	312.4	675.7
Other income and gains	28.1	21.3	47.7
Administrative expenses	(152.5)	(136.8)	(311.7)
Earnings before interest, tax and amortisation (EBITA)	211.2	196.9	411.7
Amortisation	(3.1)	(3.3)	(7.3)
Investment income	17.4	17.5	34.4
Finance costs	(11.1)	(12.3)	(25.5)
Profit before share of results of associates	214.4	198.8	413.3
Share of results of associates	(9.6)	(3.6)	(10.6)
Profit before tax	204.8	195.2	402.7
Income tax expense	(50.4)	(53.2)	(102.2)
PROFIT FOR THE PERIOD	154.4	142.0	300.5
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net gain on revaluation of land and buildings			22.7
Gross gain on revaluation of land and buildings			29.3
Income tax on gain on revaluation of land and buildings			(6.6)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	(0.9)	(12.9)	(28.4)
Other comprehensive loss for the period (net of tax)	(0.9)	(12.9)	(5.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	153.5	129.1	294.8
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent	154.1	141.6	299.5
Non - controlling interests	0.3	0.4	1.0
TOTAL PROFIT FOR THE PERIOD	154.4	142.0	300.5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	153.2	128.7	293.8
Non - controlling interests	0.3	0.4	1.0
TOTAL COMPREHENSIVE INCOME	153.5	129.1	294.8
Number of shares in issue at beginning and end of the period	250 726 709	250 726 709	250 726 709
Dividends per share (thebe) - ordinary - interim	12.0	12.0	12.0
Dividends per share (thebe) - ordinary - final	n/a	n/a	50.0
Basic earnings per share (thebe)	61.46	56.48	119.5
Total comprehensive income per share (thebe)	61.10	51.33	117.2

**ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 26 weeks ended 29 October 2023 P'm	Unaudited 27 weeks ended 30 October 2022 P'm	Audited 53 weeks ended 30 April 2023 P'm
Net cash generated from operating activities	427.0	41.8	45.1
Net cash flows generated by / (utilised in) investment activities	(91.3)	148.0	102.1
Dividends paid	(125.4)	(75.2)	(130.4)
Net cash flows from other financing activities	(39.9)	(32.5)	(63.5)
Net movement in cash and cash equivalents	170.4	82.1	(46.7)
Cash and cash equivalents at beginning of period	476.4	530.6	530.6
Effect of exchange rate on cash and cash equivalents	1.8	(3.6)	(7.5)
Cash and cash equivalents at end of period	648.6	609.1	476.4
Represented by:			
Cash and cash equivalents	697.7	664.1	525.4
Bank overdrafts	(49.1)	(55.0)	(49.0)
Cash and cash equivalents at end of period	648.6	609.1	476.4

**ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 29 October 2023 P'm	Unaudited 30 October 2022 P'm	Audited 30 April 2023 P'm
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	990.3	870.8	936.4
Right of use asset	166.8	204.2	180.8
Investment property	238.1	234.5	237.8
Intangible assets	107.5	117.2	110.1
Investment in associates	50.2	61.2	57.4
Loan to associate	68.8		58.0
Deferred lease assets	4.8	4.9	4.6
Deferred tax assets	33.3	32.4	31.5
Trade and other receivables	4.5	7.6	4.6
Total non - current assets	1 664.3	1 532.8	1 621.2
<b>CURRENT ASSETS</b>			
Inventories	1 340.8	1 217.8	1 111.0
Trade and other receivables	352.8	373.2	302.0
Current tax assets	15.0	24.6	6.1
Cash and cash equivalents	697.7	664.1	525.4
Total current assets	2 406.3	2 279.7	1 944.5
<b>TOTAL ASSETS</b>	<b>4 070.6</b>	<b>3 812.5</b>	<b>3 565.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Stated capital	686.4	686.4	686.4
Other reserves	251.1	244.8	252.0
Retained earnings	1 410.8	1 279.4	1 382.1
Equity attributable to owners of the parent	2 348.3	2 210.6	2 320.5
Non - controlling interests	22.5	16.9	20.2
Total equity	2 370.8	2 227.5	2 340.7
<b>NON - CURRENT LIABILITIES</b>			
Lease liabilities	105.7	170.5	132.8
Loans and borrowings	103.1	105.1	104.2
Deferred tax liabilities	118.8	116.2	119.0
Total non - current liabilities	327.6	391.8	356.0
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1 111.4	963.2	619.9
Lease liabilities	84.5	58.4	73.2
Loans and borrowings	1.8	1.6	1.7
Contract liabilities	22.9	16.9	15.8
Current tax liabilities	31.6	37.3	10.0
Bank overdrafts	49.1	55.0	49.0
Provisions and accruals	70.9	60.8	99.4
Total current liabilities	1 372.2	1 193.2	869.0
Total liabilities	1 699.8	1 585.0	1 225.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 070.6</b>	<b>3 812.5</b>	<b>3 565.7</b>

**COMMENTARY**

**Basis of preparation and accounting policies**

The unaudited abridged consolidated financial results of Sefalana Holding Company Limited and its subsidiaries ("Sefalana" / the "Group") are extracted from the interim Group financial information that has been prepared in accordance with International Financial Reporting Standards ("IFRS"), under the historical cost convention except for the revaluation of certain non - current assets, being land and buildings and investment in properties, which are carried at fair value.

The accounting policies applied in the preparation of the unaudited financial information for the 26-week period ended 29 October 2023 (the "period" / the "half year"), are consistent with those applied in the preparation of the audited financial statements for the 53-week period ended 30 April 2023.

**Financial results of the Group - key factors to highlight**

**26-week reporting period vs 27-week comparative period**

In accordance with normal retail practice the current half year is for a 26-week period, whereas the comparative period was for a 27-week period. As previously reported, our annual reporting cycle consists of a 52-trading week period for four years and a 53-week period every fifth year. The year ended 30 April 2023 comprised a 53-week period and included an extra week's trading results. An extra week's trading results contributes an additional P20-25 million to bottom line profit. Despite the shorter current period, the performance for the Group improved against that of the comparative period.

We are proud to report our best half year results to date. This is on the back of reporting our best (in our 49-year history) full year results to 30 April 2023. Our diversification across sectors and territories has enabled us to consistently deliver better results year on year for our Shareholders.

**Group performance - overview**

The general trading environment for the Group, across the region, has been characterized by significant pressure on margins and challenges relating to supply chain and procurement. The impact of on-going load-shedding in South Africa has had a profound impact on business in neighboring countries. Manufacturing volumes have dropped, and cost of raw materials has increased. Much of these raw materials are sourced by our suppliers from territories across the world, where the economic environment has made doing business more costly.

In the context of inflationary pressures, consumers have had to manage their spending and adapt their buying patterns. During the Pandemic, we noted a shift away from luxury goods, towards necessities. This trend has continued. Consumers have become increasingly price sensitive. This has had an adverse impact on our margins and the margins of our competitors.

Each business sector, and each geographical region, continues to bring with it unique circumstances and challenges. Due to the complex nature of the sectors in which we operate, navigating around those obstacles is never easy and requires decisive, and informed decision-making. Our teams across the Group are well experienced and positioned to make these important decisions.

With challenges, come opportunities, and there are new projects we are pursuing, to support a long-term sustainable profit stream for the Group. We look forward to providing further announcements in respect of these projects as soon as we are able to do so.

For the period under review, the Group generated a profit before tax ("PBT") of P205 million, up 5% on the prior period or up some 15-17% on a 26-week like for like period. The effective tax rate for the period amounted to 25% due to efficient tax structures allowing foreign dividends to be repatriated to Botswana optimally to maximise Shareholder returns.

Our net asset position grew from P2.3 billion at April 2023 to P2.4 billion at October 2023, and this is after paying our highest dividend to date to our Shareholders in respect of the April 2023 financial year. The market capitalisation of the Group on 29 October 2023 amounted to P2.9 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.

Our share price at P11.28 has seen a 15% increase during the period and 18% since October 2022, despite the illiquid nature of our stock, where our large institutional shareholders choose to retain their holdings in Sefalana despite an overweight position. Our consistent dividend policy of paying out approximately 50% of earnings in the form of dividends has provided a regular and sustained income stream for our shareholders for many years. Third party valuations have suggested a fair share price value in excess of P12.50 illustrating additional upside capital growth potential.

During the period under review, we continued to invest significantly in inventory to ensure supply constraints were minimized. This has enabled us to minimise stock-outs and provide our customer base with a consistent product offering. There have been numerous price increases from suppliers in South Africa over the last 18 months, and where possible we have accelerated procurement in these commodities to mitigate these increases. In doing so, we have been able to delay price increases to our end consumer wherever possible.

Our cash position at the end of October 2023 is good and sufficient to meet all our current liabilities with a sensible and prudent retention. Overall, our working capital position remains strong and puts us in good stead as we approach the year end.

We are pleased to report that with this continued level of growth, our Group has created employment for an additional 336 persons during the period taking our total number of staff to 6,959. We look to further employment creation in the second half of the year. We continue to focus our employment on citizens in all our areas of operation and report under 1% non-citizen employment.

**Financial highlights**

For the 26-week period to 29 October 2023, the Group's:

- Revenue was P4.7 billion - up 4% on prior period;
- Gross profit was P336 million - up 7% on prior period;
- Earnings before interest, tax, and amortisation ("EBITA") was P211 million, up 7% on prior period;
- Profit before tax was P205 million - up 5% on the prior period or up some 15-17% on a like for like 26-week period; and
- Interim dividend of 12 thebe per share to be paid to our Shareholders.

**Segmental Reporting**

The Group's business and geographical segments are reported separately. Intersegment transactions are eliminated, and costs of shared services are accounted for in a separate ("Intersegment or Unallocated") segment. All transactions between segments are at arm's length.

**Review of operations**

Botswana Business units - 65% of Group PBT (62% in prior period)

Overall Botswana business units which represent around two thirds of our entire group business, have generated P134 million of PBT for the period, compared to P120 million in the prior period. The most significant growth has been in the Manufacturing sector.

**Trading - consumer goods**

The Botswana FMCG businesses had been adversely affected for much of the last 3 years by the trading restrictions that had been in place as a result of the Covid-19 protocols. These operating restrictions have largely been lifted with a resumption of more normal trading patterns; however there remain import restrictions on certain confectionary, fruit, and vegetables. These import restrictions have been extended for a further two years to December 2025, with additional lines introduced in June 2024. These restrictions have resulted in many supply shortages for our customers which will continue until Botswana's agricultural sector is able to meet local requirements.

Diversification into wider product range and service offerings has been our focus to ensure our customers get what they desire. Wherever possible we support and prioritize local producers with favourable trading terms and opportunities to provide entrepreneurs with a reliable and sustainable customer base. We are proud to continually expand this supplier base as the quality of the produce improves and our country becomes more self-reliant over the medium term.

Consumers are returning to more frequent visits to stores and basket sizes have begun to increase. The consumer is still somewhat cautious and tends to focus more on value packs, necessities, and private label products, rather than luxuries. This has had a direct negative impact on gross margins. The desire for a one-stop shop is very much apparent and we have responded accordingly through range extension.

At the end of the period, the Botswana FMCG business consisted of 4 hyper stores ("Sefalana Hyper"), 25 cash and carry stores ("Sefalana Cash & Carry"), 32 supermarket retail stores ("Sefalana Shopper"), 58 liquor stores ("Sefalana Liquor"), 4 convenience stores ("Sefalana Quick"), and 1 catering outlet ("Sefalana Catering"), giving the Group a total of 124 stores in Botswana. This compares to 118 stores at the end of the comparative period and 123 stores at the April 2023 year end.

As part of our annual birthday promotion, our Cash & Carry business previously rolled out its empowerment program and gave away a total of 144 mobile kiosks to Batswana to start their own businesses. For the last 2 years, in order to reach a wider number of winners, we introduced our scratch card promotion where our customers stand a chance to win cash prizes. The total annual cost of this promotion to the Wholesale business was P3 million.

Our Retail birthday promotion once again gave away P2 million in the form of cash and mobile phone prizes. This generated a lot of excitement in the market meeting the needs of our retail customers, who prefer cash rather than prizes in kind, during these challenging inflationary times.

Sefalana Cash & Carry Limited contributed 53% and 39% of the Group's revenue and PBT for the reporting period, respectively. Revenue amounted to just over P2.5 billion, up 3% on the prior period.

This segment reported its best half year results in the prior year for its 27-week period. In the current period, with one less trading week, the business unit generated broadly the same bottom-line profit as the prior period. Overall, a very pleasing performance by this division.

**Trading - others**

This segment which consists of Commercial Motors (Pty) Limited ("CML") and Mechanised Farming (Pty) Limited ("MFL") contributed 1.1% and 1.5% to Group turnover and PBT, respectively. This is a relatively small Group segment in line with our focus on the core business of FMCG.

CML historically relied on tender business, and over recent years has been focusing on growing its private sales due to a general decline in tender activity. Performance period on period has been level.

MFL focuses almost exclusively on the supply of components to Botswana Railways. This business no longer sells to walk-in customers and is not a primary focus for the Group.

**Manufacturing**

Foods Botswana (Pty) Limited ("FB") contributed 4% and 14% to Group turnover and PBT for the period respectively. The profitability of this business is largely dependent on the timing of orders placed by Government in respect of the various feeding schemes and availability of raw materials.

**Milling Division**

During this period FB manufactured and successfully supplied the Government tender for the entire 26 weeks, following the award of two thirds of the tender in May 2023. Subsequent to the reporting period, we are pleased to report that additional volumes have been requested of FB following the failure of the other tenderers to deliver on their required volumes.

FB has procured adequate grain to fulfil all orders placed on us and any shortfall that may occur as a consequence of other tenderers not being able to fulfil their obligations, such that the recipients of the Tsabana and Malutu feeding scheme would be able to receive their required volumes. We remain available to manufacture and supply additional orders placed on us.

We continue to focus on the manufacture and supply of branded products to utilise factory capacity and to create further employment. Growth in this area is positive. The Sechaba range of products continues to be a popular household name and a preferred choice for many shoppers in the various regions across the country.

In November 2022 we employed just over 60 additional staff to create an internal sales and merchandising team to help promote and deliver the sale of our branded products across the country. This team is performing well and is also responsible for the portfolio of Beverages products. We have



as a result, noted growth in this area and anticipate further growth in the second half of the year.

#### Beverages Division

This division is heavily dependent on the manufacture and supply to Government of milk for the children's feeding scheme. Government tenders require separate bids to be submitted for each region. Individual councils provide orders based on the number of schools in their region.

We are pleased to report that most of the current tenders have been awarded to us, however, there have been delays in the award of some regional tenders due to additional administrative hurdles at the councils. Post decentralization, quantities have almost halved on a month-to-month basis compared to that of the previous tenders. All orders received during this period were successfully completed and delivered.

Raw material milk shortages in the Region over the last 18 months, due to repeated outbreaks of Foot and Mouth Disease in South Africa, have resulted in a drop in production volumes and as a result we have not been able to supply the Trade consistently with the required volumes, although this is improving in the current period. We have previously put in place measures for the importation of pasteurized milk into Botswana. This is more expensive than raw milk but allows for a regular supply. This has unfortunately caused a slight erosion of margins.

Our focus has for some time been on building the Delta Fresh brand. Delta Fresh is available throughout Botswana in most retailers and is increasing in market share and popularity. A new refreshed packaging of this brand was launched in November 2022 which has been well received in the market. We have also made a change to the 500ml pack into a base format which is the preferred package type for Botswana. This has already boosted sales of this line.

We are producing still, sparkling and flavoured water under the Clear Water brand. Our A-Star water production will be brought in-house in early 2024. As volumes increase, we are likely to need to increase capacity through procurement of additional plant and equipment. Our warehouse built in the previous year provides adequate storage.

During the period, we introduced additional product ranges to this business. This includes the import and distribution of the Interpack range of juices which has proven very popular in a short space of time. Further product range extension is planned over the ensuing 12 months.

#### Properties

##### Botswana property portfolio

Our Botswana property portfolio, which is largely self-occupied, performed well, contributing 1% and 11% to Group revenue and PBT respectively. Almost all properties are tenanted, and leases are in place for periods between 2 and 5 years.

The KSI property development of 5,000 sqm of warehouse space remains fully let with on-going demand for the sites. With the closure of the KSI soap plant, the factory property has been refurbished to improve the quality of the lettable space. This will further enhance the return from that site once a suitable tenant is found.

We are in the process of developing plans for certain of our other properties where there is opportunity for enhanced returns. This includes the construction of a large warehouse in Gaborone North to serve as a consolidated distribution centre. Further updates will be provided in due course.

The P100m loan taken out for the purpose of developing property begins its five-year repayment period in 2025.

#### Regional operations and foreign exchange exposure

Our diversification into neighbouring countries over the last 8 years has helped us maintain the Group's overall performance. Each economy has presented its own opportunities and put forward its unique challenges. Our business models have been tailored to each economy accordingly.

Diversification into other regions brings with it foreign exchange exposure. For this period, there has been limited fluctuations. We have recorded a retranslation loss of P0.9 million. This compares to a translation loss of P12.9 million in the comparative period when there was greater volatility. These currencies constantly fluctuate, and the retranslation gains and losses are largely temporary and are recorded in other comprehensive income and losses in line with IFRS.

Since July 2020 we include exposure to the Australian Dollar. This hard currency exposure often offsets the exposure on the ZAR and serves as a partial hedge. We will continue to invest in harder currencies to protect the overall Pula return for our Shareholders.

#### Metro (Sefalana) Namibia

Metro Namibia contributed 33% of revenue and 30% of PBT for the period. Turnover amounted to P1.6 billion, a growth of 3% on the prior period despite one less trading week. PBT amounted to P62 million, broadly in line with the prior period. Our operations in Namibia continue to grow despite clear indications of stress in the economy. We have noted significant pressure on margins largely a result of the competitive pressure in the country and the unemployment rates that remain high. Our customers' disposable income is now being directed towards essential products and away from luxury, higher margin products. The trends being seen are very similar to those experienced in Botswana.

This business makes a significant contribution to overall Group results each year. We remain the largest FMCG business in Namibia. At the start of the year, we had 23 stores across the country. In September 2023 our first Metro Fresh store and Metro Home store were opened providing an exceptional and unique offering to our customer base in Windhoek. We are confident that this will be a success and that additional similar stores will be opened throughout the country. This is expected to enhance margins over the medium term. Total store complement at the reporting period was 25. The Metro Luderitz store was opened in November 2023.

We continue to look for new suitable locations for store openings as we have now met our medium-term target of 20 stores. There are new stores in the pipeline (of different size and formats) that are dependent of the landlords completing their sites. Expansion will be cautious given the current economic environment.

#### Sefalana Lesotho

We have been operating in Lesotho for 8 years and the underlying business is performing well. We have 2 stores located in Maseru and 2 in Mafeteng. We remain the largest FMCG business in the country. We offer the widest range of products, and our stores are well positioned to be accessible to the entire country. This business is expected to continue to grow and perform well.

Our discussions are on-going with the Revenue Service Lesotho for the settlement of VAT due to us. This process has taken longer than anticipated, but we have made good progress and expect finality on some of the open matters by early 2024. For some time now this matter has meant the business has experienced cash flow constraints and has required Group support to assist during peak times. A settlement will reduce this pressure and allow us to progress with further growth and employment in this country.

Turnover of P405 million has been achieved for the period, with a contribution of 9% to total Group revenue. A PBT of P6m was generated, marginally up on the prior period.

#### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Stated capital	Reserves	Retained earnings	Total		
	P'm	P'm	P'm	P'm	P'm	P'm
At 30 April 2023	686.4	252.0	1 382.1	2 320.5	20.2	2 340.7
Profit for the year			154.1	154.1	0.3	154.4
Other comprehensive income for the period:						
Currency translation differences		(0.9)		(0.9)		(0.9)
Transactions with non-controlling interests					2.0	2.0
Dividends paid - 2023 final			(125.4)	(125.4)		(125.4)
At 29 October 2023	686.4	251.1	1 410.8	2 348.3	22.5	2 370.8

#### SEGMENT RESULTS

	Botswana		Zambia	Lesotho	Namibia	South Africa	Australia	Group	
	Trading consumer goods	Trading others						Inter-segment or unallocated	Consolidated
For the 26 week period ended 29 October 2023	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	2 500.3	52.6	207.6	31.9	2.5	404.9	1 566.3	(83.4)	4 682.7
Cost of sales	(2 371.5)	(41.3)	(154.0)			(381.6)	(1 474.3)	75.6	(4 347.1)
Gross profit	128.8	11.3	53.6	31.9	2.5	23.3	92.0	(7.8)	335.6
Other income and gains	12.3	1.6	1.8	0.9	0.9	0.1	7.9	2.6	28.1
Administrative expenses	(57.0)	(10.3)	(24.9)	(7.4)	(1.0)	(12.9)	(24.3)	(14.7)	(152.5)
Earnings before interest, tax and amortisation (EBITA)	84.1	2.6	30.5	25.4	2.4	10.5	75.6	(19.9)	211.2
Amortisation	(0.4)					(0.8)	(1.9)		(3.1)
Investment income	3.4	0.7	1.2	1.1	0.1	0.2	5.5	3.0	17.4
Finance costs	(7.8)	(0.2)	(2.3)	(4.3)		(3.9)	(17.2)	24.6	(11.1)
Profit before share of results of associates	79.3	3.1	29.4	22.2	2.5	6.0	62.0	2.2	214.4
Share of results of associates								(9.6)	(9.6)
Profit before tax (PBT)	79.3	3.1	29.4	22.2	2.5	6.0	62.0	(7.4)	204.8

	Botswana		Zambia	Lesotho	Namibia	South Africa	Australia	Group	
	Trading consumer goods	Trading others						Inter-segment or unallocated	Consolidated
For the 27 week period ended 30 October 2022	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	2 425.4	59.6	142.2	30.6	2.2	412.8	1 519.8	(91.8)	4 500.8
Cost of sales	(2 293.3)	(49.6)	(108.3)			(391.6)	(1 430.7)	85.1	(4 188.4)
Gross profit	132.1	10.0	33.9	30.6	2.2	21.2	89.1	(6.7)	312.4
Other income and gains / (losses)	10.3	2.9	1.6	1.5	(0.2)	1.1	9.5	(5.4)	21.3
Administrative expenses	(54.9)	(9.8)	(19.5)	(4.7)	(0.6)	(11.0)	(21.0)	(15.3)	(136.8)
Earnings before interest, tax and amortisation (EBITA)	87.5	3.1	16.0	27.4	1.4	11.3	77.6	(27.4)	196.9
Amortisation	(0.2)					(1.1)	(2.0)		(3.3)
Investment income	0.9	0.3	1.4			0.1	2.4	5.0	17.5
Finance costs	(9.4)	(0.4)	(1.9)	(4.6)		(4.5)	(12.3)	20.8	(12.3)
Profit before share of results of associates	78.8	3.0	15.5	22.8	1.4	5.8	65.7	1.2	198.8
Share of results of associates								(3.6)	(3.6)
Profit before tax (PBT)	78.8	3.0	15.5	22.8	1.4	5.8	65.7	(2.4)	195.2

	Botswana		Zambia	Lesotho	Namibia	South Africa	Australia	Group	
	Trading consumer goods	Trading others						Inter-segment or unallocated	Consolidated
For the 53 week period ended 30 April 2023	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	4 883.6	98.3	337.6	59.4	4.7	891.7	3 037.9	(197.0)	9 116.2
Cost of sales	(4 606.9)	(77.9)	(249.3)			(839.0)	(2 856.7)	189.3	(8 440.5)
Gross profit	276.7	20.4	88.3	59.4	4.7	52.7	181.2	(7.7)	675.7
Other income and gains	19.8	5.5	1.7	17.6	2.2	1.2	17.6	(17.9)	47.7
Administrative expenses	(125.3)	(21.0)	(45.0)	(11.4)	(1.9)	(22.4)	(42.5)	(42.2)	(311.7)
Earnings before interest, tax and amortisation (EBITA)	171.2	4.9	45.0	65.6	5.0	31.5	156.3	(67.8)	411.7
Amortisation	(0.8)					(1.6)	(4.9)		(7.3)
Investment income	3.2	0.7	3.0	0.5		0.3	9.2	8.7	34.4
Finance costs	(19.3)	(1.0)	(5.6)	(8.6)		(9.0)	(30.8)	48.8	(25.5)
Profit before share of results of associates	154.3	4.6	42.4	57.5	5.0	21.2	129.8	2.6	413.3
Share of results of associates								(10.6)	(10.6)
Profit before tax (PBT)	154.3	4.6	42.4	57.5	5.0	21.2	129.8	(8.0)	402.7

#### SEGMENT ASSETS AND LIABILITIES

	Botswana		Zambia	Lesotho	Namibia	South Africa	Australia	Group	
	Trading consumer goods	Trading others						Inter-segment or unallocated	Consolidated
29 October 2023	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Assets	1 470.5	91.8	349.4	710.5	47.7	252.3	966.9	50.2	4 070.6
Liabilities	(998.8)	(32.5)	(128.2)	(201.7)	(5.1)	(204.1)	(735.8)	606.4	(1 699.8)
30 October 2022									
Assets	1 350.1	94.7	321.5	671.4	54.9	252.9	940.1	61.2	3 812.5
Liabilities	(998.9)	(39.1)	(149.4)	(215.2)	(1.4)	(220.2)	(647.6)	686.8	(1 585.0)
30 April 2023									
Assets	1 169.3	87.7	321.3	691.1	54.4	185.6	883.4	57.4	3 565.7
Liabilities	(759.3)	(30.7)	(125.1)	(201.5)	(1.2)	(142.1)	(778.3)	813.2	(1 225.0)

#### Zambia property

Our single property in Zambia has an occupancy rate of around 80%. We continuously seek suitable tenants for the remaining space and acknowledge the oversupply of similar property in the city. The strengthening of the US Dollar has resulted in a positive increase in the performance of this segment.

#### Australian investment

Our investment in Australia continues to generate a positive EBITA and cash. We currently operate 10 stores across Brisbane under the Seasons IGA brand.

As indicated previously, it is the norm in Australia for long leases of 20 years or more to be entered into on properties. In accordance with IFRS 16, this results in a front-loaded interest and depreciation charge in the earlier years of the lease. Consequently, the positive EBITDA is eroded by the related lease charges. In the latter period of the leases, this is expected to unwind, such that the reported PBT figures for this investment will grow significantly. This is aligned to our intended strategy to re-invest in that business for the first five years before dividends are declared to shareholders.

The Group's share of results from this associate for the period amounts to a loss of P7.4 million (net of interest earned). The Australian economy is currently experiencing strain with interest rates more than doubling since we entered the market. As a result, consumer spending has declined. We forecast that this associate will break-even by the end of the 2027 financial year. This is three years later than originally anticipated. We continue to believe in the long-term prospects of this business.

#### Financial Services – SefRemit

This division provides Bureau de Change services to our customers along with international electronic money transfers. This new and exciting service offering has been well received by the market in a very short space of time. We currently operate from 11 branches including our kiosk at the Maun International Airport. Further rollouts will follow where

there is a market need for this service as we strive to offer a one-stop-shop service to our customers.

#### Prospects

##### FMCG

As indicated, there are several new stores in the pipeline for both Botswana and Namibia. These will be developed as and when the sites become ready. Our most recent store opened in Broadhurst in December 2023. This is a Sefalana Shopper store of just under 2,000sqm and offers the area its first large supermarket.

##### Manufacturing

We recently set up an in-house business (Level 55) to procure and supply our FMCG businesses with shop fittings and equipment. This entity procures in bulk and can supply our business units at a discount of around 20% of what would be paid to third party suppliers. This business will grow in the ensuing years as new store openings take place. It is a 65% subsidiary of the Group with a minority shareholding being held by a technical partner from South Africa. Total investment to date into this business, by the Group amounts to P6.5 million.

#### Sefalana turns 50!

We are excited to report that Sefalana will celebrate 50 years of operation in 2024. We are proud to be a truly Botswana based Group that is one of the largest private sector employers in each of the countries we operate in. We also pride ourselves on being the first company to list on the Botswana Stock Exchange. There are several celebratory events planned for our customers, Shareholders and other stakeholders. We look forward to further engagement in the coming months.

#### Directors

Dr Keith Jefferis was re-appointed to the Board on 1 July 2023 following his resignation in 2020 when he took up a senior role with the Government of Botswana. We look forward to further

valued contributions from Dr Jefferis as we continue to grow our business.

Ms Keneilwe Mere retired from the Board on 27 October 2023 following the completion of six years of service with the Group. We thank Ms Mere for her invaluable contribution to the success of the Group over that period.

There were no other changes to Directorships during the period.

#### Shareholder returns and dividends

We were pleased to report at our April 2023 year end, a Return on Capital Employed (ROCE) (defined as operating profit divided by opening equity) of 18.7% compared to 16.9% in the prior year. This is well in excess of inflation which is currently around 4%.

During the current period, our share price increased 15% despite its illiquid nature.

On 22 January 2024, the Board of Directors of Sefalana Holding Company Limited declared an interim gross dividend of 12 (twelve) thebe per ordinary share.

The interim dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Friday 23 February 2024 to all Shareholders registered in the books of the Company at the last date to register, being close of business on Tuesday 13 February 2024, with an ex-dividend date of Friday 9 February 2024.

#### By order of the Board

JM Marinelli  
(Chair)

26 January 2024  
Gaborone, Botswana

CD Chauhan  
(Group Managing Director)