ABRIDGED UNAUDITED GROUP FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

Choppies Enterprises Limited

(Registration number: BW00001142508)

Group retail sales	EBITDA	Adjusted EBITDA
8.9%	(7.8%)	(13.5%)

Earnings before interest and tax	Free cash flow
(20.0%)	122.6%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Pula millions	**Unaudited six months ended 31 December 2025 BWPm**	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
Continuing operations			
Revenue	**5 125**	4 717	9 173
Retail sales	**5 091**	4 677	9 107
Cost of sales	**(4 084)**	(3 712)	(7 214)
Gross profit	**1 007**	965	1 893
Other operating income	**34**	40	66
Expenditure	**(889)**	(815)	(1 641)
Profit on disposal of plant and equipment	**1**	–	2
Net impairment losses	**–**	(9)	(7)
Gain on derecognition of payables	**20**	–	–
Loss on sale of business	**–**	(14)	(14)
Administrative expenses	**(792)**	(677)	(1 400)
Selling and distribution expenses	**(23)**	(27)	(53)
Foreign exchange (losses)/gain on lease liability	**–**	(6)	2
Expected credit loss movement	**(1)**	(4)	(4)
Other operating expenses	**(94)**	(78)	(167)
Operating profit before interest	**152**	190	318
Finance income	**–**	1	1
Finance costs	**(53)**	(52)	(101)
Profit before taxation	**99**	139	218
Taxation	**(22)**	(24)	(67)
Profit from continuing operations	**77**	115	151
Loss from discontinued operations	**–**	(30)	(56)
Total profit for the period	**77**	85	95
Basic earnings/(loss) per share – thebe			
Continuing operations	**4.2**	6.1	8.4
Discontinuing operations	**–**	(1.6)	(3.1)
	4.2	4.5	5.3
Diluted earnings/(loss) per share – thebe			
Continuing operations	**4.2**	6.0	8.3
Discontinuing operations	**0.0**	(1.5)	(3.0)
	4.2	4.5	5.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

HEADLINE EARNINGS PER SHARE COMPUTATION

Figures in Pula millions	**Unaudited six months ended 31 December 2025 BWPm**	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
Basic earnings	**77**	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)
Headline earnings	**56**	134	171
Number of shares for basic earnings	**1 824 461 674**	1 824 461 674	1 824 461 674
Weighted average number of shares	**1 824 461 674**	1 824 461 674	1 824 461 674
Diluted weighted average number of shares	**1 846 857 355**	1 852 580 135	1 846 857 355
Headline earnings per share – thebe	**3.1**	7.3	9.4
Diluted headline earnings per share – thebe	**3.0**	7.2	9.3

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in Pula millions	**Unaudited six months ended 31 December 2025 BWPm**	Unaudited six months ended 31 December 2024 BWPm	Audited 12 months ended 30 June 2025 BWPm
Profit before taxation	**99**	139	218
Non-cash and other adjustments	**208**	217	403
Changes in working capital	**54**	(6)	158
Interest income	**–**	–	1
Dividends paid	**(11)**	(26)	(55)
Taxation paid	**(26)**	(20)	(46)
Net cash generated from operating activities	**324**	304	679
Cash flows from investing activities			
Net cash (used in)/generated from investing activities	**(127)**	(156)	(329)
Cash flows from financing activities			
Net cash used in financing activities	**(218)**	(211)	(396)
Net movement in cash and cash equivalents	**(21)**	(63)	(46)
Cash and cash equivalents at beginning of the year	**85**	125	125
Effect of foreign currency translation on foreign currency balances	**(15)**	10	6
Cash and cash equivalents at end of the year	**49**	72	85

OPERATING SEGMENTAL INFORMATION

December 2025 unaudited 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	**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**
Operating profit/(loss) (EBIT)	**125**	**(8)**	**5**	**(1)**	**23**	**8**	**152**
Add back							
Depreciation and amortisation	**92**	**15**	**16**	**19**	**13**	**–**	**155**
Impairment losses	**–**	**–**	**–**	**–**	**–**	**–**	**–**
EBITDA	**217**	**7**	**21**	**18**	**36**	**8**	**307**
Adjustments to EBITDA	**–**	**–**	**13**	**–**	**–**	**(20)**	**(7)**
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)**
Adjusted EBITDA	**217**	**7**	**34**	**18**	**36**	**(12)**	**300**
Operating profit/(loss) (EBIT)	**125**	**(8)**	**5**	**(1)**	**23**	**8**	**152**
Adjustments to EBITDA as above	**–**	**–**	**13**	**–**	**–**	**(20)**	**(7)**
Adjusted EBIT	**125**	**(8)**	**18**	**(1)**	**23**	**(12)**	**145**
Statement of financial position							
Assets	**1 560**	**374**	**510**	**234**	**238**	**170**	**3 086**
Liabilities	**1 546**	**317**	**356**	**259**	**268**	**39**	**2 785**

December 2024 unaudited 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	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
Operating profit/(loss) (EBIT)	(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)	–
EBITDA	259	18	28	17	25	(14)	333
Adjustments to EBITDA	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)
Adjusted EBITDA	263	18	52	17	25	(28)	347
Operating profit/(loss) (EBIT)	(164)	6	17	2	14	315	190
Adjustments to EBITDA as above	4	–	24	–	–	(14)	14
Impairment losses	328	–	–	–	–	(328)	–
Adjusted EBIT	168	6	41	2	14	(27)	204
Statement of financial position							
Assets	1 614	308	382	307	318	12	2 941
Liabilities	1 610	241	284	185	377	45	2 742

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.

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

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.

6. Operational overview

Choppies Botswana

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 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.

Choppies Zambia

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.

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. Events after the reporting date

There have been no material changes in the affairs or financial position of the Group for 1 January 2026 to the date of this publication.

8. 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.

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.

9. 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.

For and on behalf of the Board

DKU Corea
Chairman

R Ottapathu
Chief Executive Officer

25 March 2026

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
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