

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular including this cover page.

Shareholders are referred to page 3 of this Circular, which sets out the action required of them with regard to the Rights Offer, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your CSDB, Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Ordinary Shares, this Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the CSDB, Broker, CSDP or agent through whom you disposed of your Ordinary Shares, except that this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than Botswana or South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

No action has been taken by Choppies to obtain any approval, authorisation or exemption to permit the issue of Rights Offer Shares or the possession or distribution of this Circular (or any other publicity material relating to the Rights Offer Shares) in any jurisdictions other than Botswana and South Africa. Foreign Shareholders should refer to **Annexure 4** of this Circular for further details in this regard.

Only whole numbers of Ordinary Shares will be issued in terms of the Rights Offer and Shareholders will be entitled to rounded numbers of shares once the Ratio of Entitlement has been applied. Excess applications will be allowed in respect of the Non-committed Rights Offer Shares only, pursuant to which Qualifying Shareholders may apply for additional Non-committed Rights Offer Shares over and above their entitlement to Rights Offer Shares in terms of the Rights Offer.

Letters of Allocation, which are renounceable, can only be traded in Dematerialised form and, accordingly, Choppies has issued all Letters of Allocation in Dematerialised form. The electronic record for holders of Certificated Shares is being maintained by Computershare in South Africa which has made it possible for holders of Certificated Shares to enjoy the same rights and opportunities as holders of Dematerialised Shares in respect of the Letters of Allocation.

ALL CERTIFICATED SHAREHOLDERS IN BOTSWANA WHO ARE STILL HOLDING THEIR PHYSICAL SHARE CERTIFICATES MUST DEMATERIALISE THEIR SHARES TO THE BELOW BROKERS WHO ARE REGISTERED WITH THE CSDB TO OPEN AN ACCOUNT. PLEASE SEE DETAILS IN THE ACTION REQUIRED BY SHAREHOLDERS SECTION OF THIS CIRCULAR FOR FURTHER DETAILS.

Only whole numbers of Ordinary Shares will be issued in terms of the Rights Offer and Shareholders will be entitled to rounded numbers of shares once the Ratio of Entitlement has been applied. Excess applications will be allowed, on the basis set out in the Circular.



CHOPPIES ENTERPRISES LIMITED
(Incorporated in the Republic of Botswana)
Registration number: BW00001142508
BSE share code: CHOP-EQO
JSE share code: CHP

ISIN: BW0000001072
("Choppies" or "the Company")

CIRCULAR TO SHAREHOLDERS OF CHOPPIES

relating to:

- a partially underwritten renounceable Rights Offer to Qualifying Shareholders in respect of 520 833 333 Ordinary Shares at the Rights Offer Price of P0.576 or R0.82368 (based on the Applicable Exchange Rate) per share, in the ratio of 1 Rights Offer Share for every 2.50297 Ordinary Shares held at the close of trade on Tuesday, 13 June 2023;

and enclosing:

- a Form of Instruction in respect of a Letter of Allocation (to be completed by holders of Certificated Shares only).

Rights Offer opens at 09:00 on
Rights Offer closes at 12:00 on

Thursday, 15 June 2023
Wednesday, 28 June 2023

The Directors of Choppies whose names appear in the “*Corporate Information and Advisors*” section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required in law and by the BSE Listings Requirements and the JSE Listings Requirements, to the extent required.

Transaction Advisor and JSE Sponsor



BSE Sponsor



Legal Advisor



Reporting Accountants



Co-underwriter

EXPORT MARKETING

Co-underwriter

IVYGROVE

Date of issue: Wednesday, 7 June 2023

This Circular is available in English only. Copies of this Circular may be obtained from the registered office of Choppies, PSG Capital and/or Stockbrokers Botswana, whose addresses are set out in the “*Corporate Information and Advisors*” section of this Circular, as well as in electronic form from the Company’s website (<https://choppiesgroup.com/investor.php#inv4>). These documents will be available from Wednesday, 7 June 2023 up to Wednesday, 28 June 2023, both days inclusive.

CORPORATE INFORMATION AND ADVISORS

Directors

Uttum Corea (Chairperson) *#
Ramachandran Ottapathu (Chief Executive Officer)
Valentine Chitalu *#
Carol-Jean Harward *#
Ranjith Priyalal De Silva *#
Farouk Ismail *

* *Non-executive*

Independent

Transaction Advisor and JSE Sponsor

PSG Capital Proprietary Limited
(Registration number: 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

Suite 1105
11th Floor
Sandton Eye Building
126 West Street
Sandton, 2196

Transfer Secretaries: South Africa

Computershare
Client Service Specialist
Rosebank Towers
15 Biermann Avenue
Rosebank
2196, South Africa
Private Bag X9000
Saxonwold, 2132
South Africa

Botswana Transfer Secretaries

Central Securities Depository Company
of Botswana Limited (CSDB)
(Registration number: BW00000191721)
4th Floor
Fairscape Precinct, Plot 70667
Fairgrounds Office Park, Gaborone
(Private Bag 00417, Gaborone, Botswana)

Company Auditors/Reporting Accountants

Mazars
Plot 139, Finance Park
Gaborone, Botswana

Contact person: Shashikumar Velambath
Practising member: Shashikumar Velambath
ACA(Ind), FCA(Bots)
Membership number: CAP 022 2023

Company Secretary and Registered Address

BP Consulting Services (Pty) Limited
Plot 28892 (Portion of plot 50370), Twin Towers
West Wing, 1st Floor, Fairground, Gaborone
PO Box 1453, Gaborone, Botswana

Date and place of incorporation

Date of incorporation: 19 January 2004

Place of incorporation: Botswana

BSE Sponsor

Stockbrokers Botswana Limited
Plot 67978, Ground Floor, East Wing
Mokolwane House, Fairgrounds
Gaborone, Botswana

Legal Advisor

Armstrongs Attorneys
2nd Floor, Acacia House
Plot 74538, Prime Plaza
Western Commercial Road
Central Business District
PO Box 1368
Gaborone, Botswana

Share Register Support Services: Botswana

Grant Thornton Capital Security Services Proprietary Limited
PO Box 1157, Gaborone
Plot 50370, Fairgrounds, Gaborone

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ACTION REQUIRED BY SHAREHOLDERS

If you are in any doubt as to what action you should take, you should consult your CSDB, Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all your Ordinary Shares, please forward this Circular, together with the enclosed Form of Instruction, to the purchaser of such Ordinary Shares or the CSDB, Broker, CSDP or other agent through whom you disposed of such Ordinary Shares. This Circular and Form of Instruction should not be forwarded to any person in any territory other than Botswana or South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

Action required by Certificated Shareholders (FOR SOUTH AFRICAN QUALIFIED SHAREHOLDERS ONLY)

A Form of Instruction for completion by Qualifying Shareholders who hold Certificated Shares is enclosed with this Circular and the relevant procedure for participation in the Rights Offer is set out below:

- a Letter of Allocation will be created in electronic form with the Transfer Secretaries;
- if you are a Qualifying Shareholder holding Certificated Shares and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the proof of EFT payment of the amount due in Rand (at the Applicable Exchange Rate) and the EFT swift reference number (EFT to be made into the Designated Bank Account, details of which are available from the corporate actions department of the Transfer Secretaries at +27 11 370 5000 if calling from within South Africa and 0861 100 634 if calling from outside South Africa; or via email at corporate.events@computershare.co.za (in South Africa)), with the Transfer Secretaries as follows:

South Africa:

By hand to:

Choppies Enterprises Limited – Rights Offer

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

By post to:

Choppies Enterprises Limited – Rights Offer Private Bag X3000, Saxonwold, 2132

By electronic mail to:

Choppies Enterprises Limited – Rights Offer corporate.events@computershare.co.za

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 23 June 2023.

- if you are a Qualifying Shareholder holding Certificated Shares and do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your entitlement as follows:
 - if you wish to sell all or part of your entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by no later than 12:00 on Friday, 23 June 2023. The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Choppies will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements. Please note that the last day to trade Letters of Allocation is on Friday, 23 June 2023; and
 - if you wish to renounce your entitlement in favour of any named renounee, you must complete Form B in the enclosed Form of Instruction, and the renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 23 June 2023, together with EFT swift reference number (EFT to be made into the Designated Bank Account, details of which are available from the corporate actions department of the Transfer Secretaries for the appropriate amount). The Transfer Secretaries are contactable at: 0861 100 634 if calling from within South Africa; +27 11 370 5000 if calling from outside of South Africa; or via email at corporate.events@computershare.co.za.

Lodgement by post shall be at the risk of the Qualifying Shareholder.

The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic system. Notwithstanding anything to the contrary, it is the responsibility of all Shareholders to ensure that their Form of Instruction is received by the Transfer Secretaries.

You may apply for additional Non-committed Rights Offer Shares over and above your entitlement to Rights Offer Shares in terms of the Rights Offer. If you wish to apply for excess Non-committed Rights Offer Shares, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and remit sufficient funds to cover your total application. For the avoidance of doubt, excess applications are only allowed in respect of the Non-committed Rights Offer Shares.

Choppies and the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Rights Offer Shares pursuant to payment being made or alleged to have been made by way of electronic transfer and where proof of such payment has not been received or purported proof of such payment being insufficient or defective for Choppies and the Transfer Secretaries, for any reason, not being able to reconcile a payment or purported payment with a particular application for Rights Offer Shares.

In order to comply with legislative requirements, the Rights Offer Shares may only be issued in Dematerialised form. In this regard –

- (a) Qualifying Shareholders holding Certificated Shares who wish to receive the Rights Offer Shares allocated to them in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with their Rights Offer Shares, provided that they have provided their Form of Instruction, and have elected “Option 1” on Form E thereof, along with the relevant CSDP details, to the Transfer Secretaries on or before 12:00 on Wednesday, 28 June 2023;
- (b) Qualifying Shareholders holding Certificated Shares who do not wish to hold the Rights Offer Shares allocated to them in Dematerialised form and prefer to hold their Rights Offer Shares in Certificated form, will be afforded the option to “rematerialise” their Rights Offer Shares and replace them with a physical Document of Title, provided that such Qualifying Shareholders have elected “Option 3” on Form E of their Form of Instruction and provided their Form of Instruction to the Transfer Secretaries on or before 12:00 on Wednesday, 28 June 2023; or
- (c) Qualifying Shareholders holding Certificated Shares who wish to receive the Rights Offer Shares allocated to them in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Rights Offer Shares can be made available to them following implementation of the Rights Offer (such Shareholders will be required to provide the statement of allocation to their Broker or CSDP as proof of their holdings), provided that such Qualifying Shareholders have elected “Option 2” on Form E of their Form of Instruction.

Certificated Shareholders should indicate which of the above applies, when completing the Form of Instruction. Should a Certificated Shareholder contemplated in paragraph (a) above fail to provide the necessary Broker or CSDP account details and other information requested in the Form of Instruction, it will not be possible to credit such Shareholder’s account at its Broker or CSDP with the Rights Offer Shares due to it, and such Shareholder will instead be issued with a statement of allocation.

Should you be a Qualifying Shareholder holding Certificated Shares –

- contemplated in paragraph (a) above and have provided your Form of Instruction to the Transfer Secretaries on or before 12:00 on Wednesday, 28 June 2023, the Rights Offer Shares allocated to you will be credited to your Broker or CSDP account on Thursday, 29 June 2023; or
- contemplated in paragraph (b) above, and have provided your Form of Instruction to the Transfer Secretaries on or before 12:00 on Wednesday, 28 June 2023, the share certificate for your Rights Offer Shares will be posted to you, at your risk, on Thursday, 29 June 2023; or
- should you be a Shareholder contemplated in paragraph (c) above, the statement of allocation in respect of your Rights Offer Shares will be posted to you, at your risk, on Thursday, 29 June 2023.

Qualifying Shareholders who wish to “rematerialise” their Dematerialised Rights Offer Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or whose Ordinary Share certificates are restrictively endorsed in terms of the Exchange Control Regulations, should refer to paragraph 3.14 below.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction by 12:00 on Wednesday, 28 June 2023, then the Rights to those unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer entitlement will lapse.

If you have any queries in relation to the action required by Certificated Shareholders, please contact the Transfer Secretaries’ helpline at +27 11 370 5000 if calling from within South Africa, and on 0861 100 634 if calling from outside of South Africa. Calls made from within South Africa will be charged at the standard geographic rate and will vary by provider. Calls made from outside of South Africa will be charged at the applicable international rates. The helpline will be operational between 08:00 and 16:00 (South African time) from Monday to Friday, excluding public holidays in South Africa.

Action required by Certificated Shareholders (FOR BOTSWANA QUALIFIED SHAREHOLDERS ONLY)

Reference is made to the Directive 1 of 2014 from Non-Bank Financial Institutions Regulatory Authority (NBFIRA) which requires shareholders to open accounts in the Central Depository Company of Botswana Limited (CSDB) and dematerialise their holdings through the process of depositing shares in the Central Securities Depository (CSD) System.

ALL Shareholders who are still holding their physical share certificates must dematerialise their shares to the below brokers who are registered with the CSDB to open an account. Certificated Shareholders in Botswana are required to dematerialise their shares in order to participate in the Rights Offer.

Dematerialisation also makes it easier for CSDB to comply with the Know-your-Client (KYC) process as required by the Financial Intelligence Agency (FIA) Act.

If your shares have been dematerialised and paid by cheque, kindly liaise with your broker to provide the bank account details as per the Bank of Botswana and Bankers Association of Botswana notification that cheques are being discontinued as of 31 December 2023.

The following are the brokers to liaise with:

Imara Capital Securities – +267 318 8886

- i. Mogi Lebetwa – mogi.lebetwa@imara.com
- ii. Lame Pheko – lame.pheko@imara.com

Stockbrokers Botswana – +267 395 7900

- i. Thato Mora – mora@sbb.bw
- ii. Generic contact – crs@sbb.bw

Motswedi Securities – +267 318 8627

- i. Renee Dumedisang – renee@motswedi.co.bw
- ii. Tshepo Setlhare – tshepo@motswedi.co.bw

Action required by Dematerialised Shareholders (South Africa and Botswana)

If you are a Qualifying Shareholder and have Dematerialised your Ordinary Shares in South Africa or Botswana, you will not receive a printed Form of Instruction and you should receive notification from your CSDB, CSDP, Broker or from Share Register Support Services regarding the Rights to which you are entitled in terms of the Rights Offer.

Your CSDB, CSDP, Broker or Share Register Support Services will credit your account with the number of Rights to which you are entitled and will contact you to ascertain:

- whether you wish to follow your Rights in terms of the Rights Offer and, if so, in respect of how many Rights Offer Shares; and
- if you do not follow all or any of your Rights:
 - whether you wish to sell your Rights and, if so, how many Rights you wish to sell;
 - whether you wish to renounce your Rights and, if so, how many Rights and in favour of whom you wish to renounce those Rights; or
 - whether you wish your Rights to lapse.

Alternatively, if you hold Dematerialised Ordinary Shares on the Botswana register, you may contact Share Register Support Services for further information.

CSDBs, CSDPs or Brokers effect payment in respect of Qualifying Shareholders who have Dematerialised their Ordinary Shares on a delivery versus payment basis. You must ensure that you have sufficient funds in your account to settle the aggregate Rights Offer Price of P0.576 or R0.82368 (based on the Applicable Exchange Rate) payable in respect of the Rights Offer Shares for which you wish to subscribe.

If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDB, CSDP or Broker or Share Register Support Services of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDB, CSDP or Broker or Share Register Support Services. **If you are not contacted, you should proactively contact your CSDB, CSDP or Broker or Share Register Support Services and provide them with your instructions.** If your CSDB, CSDP or Broker or Share Register Support Services does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

You may apply for additional Non-committed Rights Offer Shares over and above your entitlement to Rights Offer Shares in terms of the Rights Offer. If you wish to apply for excess Non-committed Rights Offer Shares, you are required to instruct your CSDB, CSDP or Broker or Share Register Support Services as to the number of additional Non-committed Rights Offer Shares for which you wish to subscribe. For the avoidance of doubt, excess applications are only allowed in respect of the Non-committed Rights Offer Shares.

Choppies does not take responsibility and will not be held liable for any failure on the part of any CSDB, CSDP or Broker or Share Register Support Services to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.

IMPORTANT DATES AND TIMES

2023

| | |
|---|---------------------------|
| Publication of declaration data and finalisation data on X-News and SENS | Thursday, 1 June |
| Publication of Circular on the website of the Company (including Form of Instruction) | Wednesday, 7 June |
| Last day to trade cum rights in order to participate in the Rights Offer | Thursday, 8 June |
| List Letters of Allocation (LAs) on the JSE in a suspended state* | Friday, 9 June |
| (BSE Instrument Code: CHOP-RTS & ISIN BW0000003961) (JSE alpha code CHPN) commences at 09:00 on | Friday, 9 June |
| Company Shares trade “ex” the rights entitlement at 09:00 on | Monday, 12 June |
| LAs commence trading on the JSE | Monday, 12 June |
| Circular posted to Company Certificated Shareholders with Form of Instruction | Tuesday, 13 June |
| Record Date for the Rights Offer | Wednesday, 14 June |
| LAs issued and credited to dematerialised Shareholders’ accounts at their CSDP or Broker on the BSE at 09:00 on | Thursday, 15 June |
| Rights Offer opens at 09:00 | Thursday, 15 June |
| LAs issued and credited to dematerialised Shareholders’ accounts at their CSDP or Broker on the JSE at 09:00 on | Thursday, 15 June |
| In respect of Qualifying Certificated Shareholders, Letters of Allocation credited to an electronic account held with the Transfer Secretaries on the JSE at 09:00 on | Thursday, 15 June |
| LAs commence trading on the BSE | Thursday, 15 June |
| Circular emailed/posted to Dematerialised Company Shareholders | Friday, 23 June |
| Last day to trade LAs | Friday, 23 June |
| Certificated Shareholders wanting to sell all or some of their LAs, to lodge Form of Instruction with the Transfer Secretaries by 12:00 | Monday, 26 June |
| Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00 on | Wednesday, 28 June |
| Record date for LAs | Wednesday, 28 June |
| Rights Offer closes at 12:00 | Wednesday, 28 June |
| Certificated Shareholders wishing to exercise all or some of their Rights to lodge payment and Forms of Instruction with the Transfer Secretaries by 12:00 | Thursday, 29 June |
| In respect of qualifying Dematerialised Shareholders (or their renounees), CSDP or Broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 on | Thursday, 29 June |
| In respect of qualifying Certificated Shareholders (or their renounees), share certificates in respect of Rights Offer Shares posted on or about | Thursday, 29 June |
| Publication of results announcement on SENS | Friday, 30 June |
| Listing and trading of Rights Offer Shares on the BSE commences at 09:00 on | Monday, 3 July |
| In respect of unsuccessful excess applications for Non-committed Rights Offer Shares (if applicable), refunds made to Qualifying Shareholders holding Certificated Shares | Monday, 3 July |
| Excess Rights Offer Shares issued to Shareholders | Monday, 3 July |

Notes:

* **The LAs on the JSE will be suspended for the one (1) business day, Friday, 9 June 2023 and trading in the LAs will commence at start of trade on Monday, 12 June 2023.**

1. Qualifying Shareholders will be notified of any material amendments to the important dates and times on X-News and SENS.
2. Unless otherwise indicated, all times reflected above are the time in Botswana (CAT).
3. Shareholders may not dematerialise or rematerialise their Ordinary Shares between Friday, 9 June 2023, and Tuesday, 13 June 2023, both dates inclusive.
4. Shares may not be transferred between the BSE share register and the JSE share register between Tuesday, 13 June 2023 and Thursday, 29 June 2023.
5. CSDBs and CSDPs effect payment on a delivery versus payment method in respect of Qualifying Shareholders holding Dematerialised Shares.
6. Choppies share certificates will be posted by registered post at the risk of the Qualifying Shareholder.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless otherwise stated or the context clearly indicates a contrary intention, the following words and expressions shall bear the meaning assigned to them hereunder. Words in the singular shall include the plural and vice versa, words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons:

| | |
|--|--|
| “Act” or “Companies Act” | means the Companies Act, Cap 42:01 of the laws of Botswana; |
| “Applicable Exchange Rate” | the applicable Pula/Rand exchange rate as at close of business on the date preceding the Declaration Date, being R1.43 to the Pula; |
| “Associate” | an associate as defined in the Listings Requirements; |
| “Board” or “Directors” | the Board of Directors of Choppies; |
| “Botswana” | means the Republic of Botswana; |
| “Broker” | any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act; |
| “BSE” | the Botswana Stock Exchange, as established by the Botswana Stock Exchange Act Cap 56:08; |
| “BSE Listings Requirements” | the equity listings requirements of the BSE as may be amended and in force from time to time; |
| “Business Day” | any day of the week, excluding Saturdays, Sundays and all official Botswana public holidays; |
| “Certificated Shareholders” | Shareholders that hold Certificated Shares, being those Shareholders registered on the South African register or the Botswana register; |
| “Certificated Shares” | Ordinary Shares that have not been Dematerialised in terms of Strate (for those on the JSE Register), title to which is represented by Documents of Title; |
| “Choppies” or “Company” | Choppies Enterprises Limited (Registration number BW00001142508), a public company, incorporated in accordance with the laws of Botswana, the Ordinary Shares of which are primary listed on the BSE and secondary listed on the JSE; |
| “Circular” | this document, dated Wednesday, 7 June 2023, incorporating a Form of Instruction, where applicable; |
| “Committed Rights Offer Shares” | the 269 097 221 Rights Offer Shares representing approximately 51.67% of the Rights Offer Shares, has been underwritten by the Underwriters; |
| “CSDB” | a Central Securities Depository Broker with whom a beneficial holder of shares holds a dematerialised share account in Botswana; |
| “CSDP” | a Central Securities Depository Participant defined as a “participant” in section 1 of the Financial Markets Act and with whom a beneficial holder of shares holds a dematerialised share account in South Africa; |
| “Dematerialise” | the process whereby share certificates and any other Documents of Title to shares in a tangible form are dematerialised into electronic form for the purposes of Strate for those Shares on the JSE Register or as set out above for those on the Botswana register; |
| “Dematerialised Shareholders” | Shareholders that hold Dematerialised Shares; |
| “Dematerialised Shares” | Ordinary Shares which have been dematerialised in terms of the requirements of Strate for those Shares on the JSE Register and the BSE Register and the ownership of which is no longer evidenced by physical Documents of Title but by electronic records; |
| “Designated Bank Account” | the bank account, the details of which will be provided on request from the corporate actions department of the Transfer Secretaries in South Africa, contactable during ordinary business hours on +27 11 370 5000 in South Africa or from the Share Registry Support Services in Botswana, contactable during ordinary business hours at aparna.vijay@bw.gt.com or lydia.kootshotse@bw.gt.com; |
| “Documents of Title” | share certificates, certified transfer deeds, balanced receipts, or any other documents of title as the case may be; |
| “EFT” | Electronic Funds Transfer; |
| “Exchange Control Regulations” | the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended; |
| “Export Marketing” | Export Marketing (BVI) Limited (Registration number: 349682), a private company duly incorporated in accordance with the laws of the British Virgin Islands; |

| | |
|---|---|
| “Export Marketing Underwriting Agreement” | the agreement entered into between Choppies and the Export Marketing, dated 31 May 2023, in terms of which <i>inter alia</i> Export Marketing agrees to partially underwrite a maximum of 60 763 888 Rights Offer Shares that are not taken up by other Qualifying Shareholders in terms of the Rights Offer; |
| “Financial Markets Act” | the Financial Markets Act, 2012 (Act 19 of 2012) of South Africa, as amended from time to time; |
| “Foreign Shareholders” | Shareholders that are registered in a jurisdiction outside of Botswana, or who are resident, domiciled or located in, or who are citizens of, a jurisdiction other than Botswana; |
| “Form of Instruction” | a Form of Instruction in respect of a Letter of Allocation; |
| “Irrevocable Undertaking” | the agreements entered into between Choppies and the Shareholders listed in paragraph 3.7, in terms of which <i>inter alia</i> such Shareholders agreed to follow their Rights in terms of the Rights Offer and subscribe for 260 086 814 Rights Offer Shares; |
| “Ivygrove” | Ivygrove Holdings Proprietary Limited (Registration number 2023/535753/07), a private company duly incorporated in accordance with the laws of South Africa; |
| “Ivygrove Underwriting Agreement” | the agreement entered into between Choppies and Ivygrove, dated 26 May 2023, in terms of which <i>inter alia</i> Ivygrove agrees to partially underwrite a maximum of 208 333 333 Rights Offer Shares that are not taken up by other Qualifying Shareholders in terms of the Rights Offer; |
| “JSE” | JSE Limited (Registration number 2005/022939/06), a public company incorporated in South Africa and licensed as an exchange under the Financial Markets Act; |
| “Last Practicable Date” | Thursday, 1 June 2023, the last practicable date prior to the finalisation of this Circular; |
| “Letter of Allocation” or “LA” | a renounceable (nil paid) letter of allocation in electronic form relating to the Rights Offer; |
| “Listings Requirements” | the Listings Requirements of the JSE, as amended from time to time by the JSE; |
| “Non-committed Rights Offer Shares” | the Rights Offer Shares, for which no commitment to subscribe has been received by Choppies and which do not form part of the Committed Rights Offer Shares; |
| “Non-qualifying Shareholders” | any Shareholders which has its registered address in any jurisdiction in which it would be unlawful to make the Rights Offer in respect of that Shareholder or would require Choppies to comply with any governmental or other consent or any registration, filing or other formality for that Shareholder to lawfully follow its Rights with which Choppies has not complied with; |
| “Ordinary Shares” or “Shares” | ordinary shares of no par value issued by the Company, forming part of its stated capital; |
| “Pula” or “P” | Botswana Pula, the official currency of Botswana; |
| “Qualifying Shareholder” | a registered holder of Ordinary Shares on the Register of Shareholders of Choppies (whether in Botswana or South Africa) as at 17:00 on the Record Date for the Rights Offer and which is not a Non-qualifying Shareholder; |
| “Rand” or “R” | South African Rand, the official currency of South Africa; |
| “Ratio of Entitlement” | the number of Rights Offer Shares to which Shareholders are entitled to subscribe for in terms of the Rights Offer, being 1 Rights Offer Share for every 2.50297 Ordinary Shares held on the Record Date for the Rights Offer, and/or such proportionate lower number of Ordinary Shares in respect of a holding of less than 2 Ordinary Shares held on the Record Date for the Rights Offer; |
| “Record Date for the Letter of Allocation” | the last day for Shareholders to be recorded in the Register (BSE or JSE) in order for Shareholders to subscribe for the Rights Offer Shares, being Wednesday, 28 June 2023; |
| “Record Date for the Rights Offer” | the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being close of business on Tuesday, 13 June 2023; |
| “Register” | means the JSE register of Certificated Shareholders maintained by Choppies and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDBs in Botswana or CSDPs in South Africa; |
| “Rights” | the entitlement to subscribe for Ordinary Shares pursuant to the Rights Offer; |
| “Rights Offer” | the partially underwritten renounceable rights offer in terms of which Qualifying Shareholders are entitled to subscribe for 520 833 333 Ordinary Shares at the Rights Offer Share Price in the ratio of 1 Rights Offer Shares for every 2.50297 Ordinary Shares held on the Record Date for the Rights Offer; |

| | |
|---|---|
| “Rights Offer Price” | the price per new Ordinary Share to be offered to Shareholders in terms of the Rights Offer being P0.576 or R0.82368 (based on the Applicable Exchange Rate) per Rights Offer Share; |
| “Rights Offer Shares” | the 520 833 333 Ordinary Shares representing approximately 39.95% of the current issued share capital of the Company and which are the subject of the Rights Offer; |
| “Share Register Support Services” | Grant Thornton Capital Security Services Proprietary Limited in Botswana; |
| “Shareholders” | holders of Ordinary Shares; |
| “SENS” | the Stock Exchange News Service of the JSE; |
| “South Africa” | the Republic of South Africa; |
| “Strate” | the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a limited liability private company duly incorporated in South Africa; |
| “Transaction Advisor and JSE Sponsor” or “PSG Capital” | PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company duly incorporated in accordance with the laws of South Africa; |
| “Transfer Secretaries” | South Africa: Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly Registered and incorporated in accordance with the laws of South Africa, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Saxonwold, 2132 or CSDB in Botswana; and |
| “Underwriters” | collectively, Ivygrove and Export Marketing; |
| “Underwritten Rights Offer Shares” | 269 097 221 Rights Offer Shares which the Underwriters have agreed to subscribe for if not taken up by Shareholders in terms of the Rights Offer; |
| “VAT” | Value Added Tax, payable in terms of the South African Value Added Tax Act, 1991 (Act 89 of 1991), as amended from time to time and/or the Value Added Tax Act (Cap 50-03) of Botswana, as the case may be; and |
| “X-News” | the exchange news service of the BSE. |



CHOPPIES ENTERPRISES LIMITED
(Incorporated in the Republic of Botswana)
Registration number: BW00001142508
BSE share code: CHOPPIES
JSE share code: CHP
ISIN: BW0000001072
("Choppies" or "the Company")

Directors

Uttum Corea (Chairperson) *#
Ramachandran Ottapathu (Chief Executive Officer)
Valentine Chitalu *#
Carol-Jean Harward *#
Ranjith Priyalal De Silva *#
Farouk Ismail *

* Non-executive

Independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 Shareholders are referred to the X-News and SENS announcements dated Thursday, 1 June 2023, in terms of which Choppies advised that it intended to raise up to P300 000 000 (three hundred million Pula) from its Shareholders by way the Rights Offer.
- 1.2 In terms of the irrevocable undertaking, Choppies has received a commitment from its major shareholders listed in paragraph 3.7 to follow its rights in terms of the Rights Offer and subscribe for 260 086 814 Rights Offer shares. The aforesaid commitment to subscribe for the committed Rights Offer shares equates to approximately P149 810 005.
- 1.3 In terms of the Ivygrove Underwriting Agreement, Ivygrove has agreed to partially underwrite a maximum of 208 333 333 Rights Offer Shares that are not taken up by other Shareholders in terms of the Rights Offer. The aforesaid Ivygrove Underwriting Agreement for the Underwritten Rights Offer Shares equates to approximately P120 000 000.
- 1.4 In terms of the Export Marketing Underwriting Agreement, Export Marketing has agreed to partially underwrite a maximum of 60 763 888 Rights Offer Shares that are not taken up by other Shareholders in terms of the Rights Offer. The aforesaid Export Marketing Underwriting Agreement for the Underwritten Rights Offer Shares equates to approximately P35 000 000.
- 1.5 In terms of the Rights Offer, Shareholders recorded in the Register at the close of trade on Tuesday, 13 June 2023, will receive the Rights to subscribe for Rights Offer Shares, on the basis of 1 Rights Offer Share for every 2.50297 Ordinary Shares held on the Record Date for the Rights Offer, at the Rights Offer Share Price of P0.576 or R0.82368 (based on the Applicable Exchange Rate) per Rights Offer Share. Only whole numbers of Ordinary Shares will be issued, and Shareholders will be entitled to rounded numbers of Ordinary Shares once the Ratio of Entitlement has been applied. Excess applications will be allowed in respect of the Non-committed Rights Offer Shares only, as detailed in paragraph 3.5 below.
- 1.6 The BSE and the JSE have agreed to the listing of the Rights Offer Shares and the purpose of this Circular is to furnish Shareholders with relevant information relating to the Rights Offer, the action required and the implications thereof, in accordance with the Companies Act and the BSE Listings Requirements.
- 1.7 The BSE has not verified the accuracy and truth of the contents of the document submitted to it and the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the decision taken based on the contents of the Circular.

2. RATIONALE FOR THE RIGHTS OFFER AND UTILISATION OF FUNDS

- 2.1 The rationale for the Company undertaking the Rights Offer, is to effect a restructure of the balance sheet of the Company, eliminate the technical insolvency, reduce interest bearing debt in the interests of profits, and remove the effect of debt on solvency ratios and going concern issues.
- 2.2 In particular the Company intends to utilise the proceeds of the Rights Offer, being P300 000 000, to reduce bank debt, to extinguish debt owing by the Company to certain Shareholders and to settle the costs relating to the Rights Offer.
- 2.3 In order to achieve the aforesaid objectives and to assist the Company with the successful completion of the Rights Offer, certain key shareholders, including Ram Ottapathu and Farouk Ismail, have agreed to follow their rights in terms of the Rights Offer up to an amount of approximately P149 810 005, as further detailed in paragraph 3.7 below.
- 2.4 The table below sets out in more detail the proposed application of the proceeds of the Rights Offer:

| | Utilisation in P |
|---|------------------|
| Ram Ottapathu interest-bearing P shareholder loan | 95 |
| Ram Ottapathu interest-free P shareholder loan | 16 |
| Farouk Ismail interest-bearing P shareholder loan | 24 |
| | 34 |
| Shanta Retail Holdings Ltd US Dollar denominated shareholder loan | (USD2.5 million) |
| Bank long-term interest-bearing P loan | 75 |
| Bank short-term interest-bearing P loan | 51 |
| Rights Offer costs P | 5 |
| Total | 300 |

- 2.5 The constitution of the Company empowers the Board to make major Company policy decisions. Please see **Annexure 10** hereto which sets out a summary of the key terms.

3. PARTICULARS OF THE RIGHTS OFFER

3.1 Terms of the Rights Offer

- 3.1.1 Choppies hereby offers to Qualifying Shareholders a total of 520 833 333 Ordinary Shares for subscription, upon the terms and conditions set out in this Circular and in the attached Form of Instruction, by way of renounceable Rights, at the Rights Offer Price of P0.576 or R0.82368 (based on the Applicable Exchange Rate) per Ordinary Share on the basis of 1 Rights Offer Shares for every 2.50297 Ordinary Shares held by Qualifying Shareholders at the close of trade on the Record Date for the Rights Offer. If fully subscribed, Choppies will raise a maximum of P300 000 000 (three hundred million Pula) in terms of the Rights Offer.
- 3.1.2 The Rights Offer price represents a discount of approximately 10% (ten percent) to the 30-day volume weighted average traded price of Choppies Ordinary Shares as at close of business on the date immediately preceding the Declaration Date, being Wednesday, 31 May 2023.
- 3.1.3 Qualifying Shareholders recorded in the Register of Choppies at the close of business on Tuesday, 13 June 2023, will be entitled to participate in the Rights Offer.
- 3.1.4 The enclosed Form of Instruction contains details of the Rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance of all or part of those Rights. Holders of Dematerialised Shares will be advised of the Rights to which they are entitled as well as the procedure for acceptance of all or part of those Rights by their CSDB, CSDP or Broker in terms of the custody agreement entered into between the Qualifying Shareholder and his CSDB, CSDP or Broker, as the case may be.
- 3.1.5 The Rights Offer Price is payable in full, in Pula or Rand (at the Applicable Exchange Rate), by Qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDBs and CSDPs will make payment, on a delivery versus payment basis, in respect of Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDB, CSDP or Broker, as the case may be.
- 3.1.6 The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other existing Ordinary Shares in terms of both voting rights and dividends.

- 3.1.7 The Rights Offer is partially underwritten as detailed in paragraph 3.8 of this Circular.
- 3.1.8 The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the BSE on Wednesday, 14 June 2023 under the BSE Instrument Code: CHOP-RTS & ISIN BW0000003961 on Friday, 9 June 2023 under the JSE code CHPN. The Rights Offer Shares cannot be traded before such Shares are listed on the BSE and JSE, respectively.

3.2 Opening and Closing Dates of the Rights Offer

The Rights Offer will open at 09:00 on Thursday, 15 June 2023, and will close at 12:00 on Wednesday, 28 June 2023.

3.3 Entitlement

The table of entitlement illustrating the number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out in **Annexure 1** to this Circular. The entitlement of each Qualifying Shareholder is reflected in the appropriate block in the Form of Instruction, which is enclosed with this Circular. If you are a Qualifying Shareholder and hold Dematerialised Shares you will not receive a printed Form of Instruction. Qualifying Shareholders holding Dematerialised Shares will have their accounts automatically credited with their entitlements in accordance with **Annexure 1**.

3.4 Fractional Entitlement

The number of Rights to subscribe for Rights Offer Shares to which Qualifying Shareholders will become entitled will be determined by the Ratio of Entitlement. Only whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to subscribe for rounded numbers of Rights Offer Shares once the Ratio of Entitlement has been applied. Fractional entitlements of 0.5 or greater will be rounded up and less than 0.5 will be rounded down.

3.5 Excess Applications

- 3.5.1 Excess applications will be allowed in respect of the Non-committed Rights Offer Shares only. For the avoidance of doubt Shareholders are not entitled to apply for additional Committed Rights Offer Shares, which may only be subscribed for by the Underwriters.
- 3.5.2 Non-committed Rights Offer Shares not taken up pursuant to the terms of the Rights Offer will be available for allocation to Qualifying Shareholders who wish to apply for a greater number of Rights Offer Shares than those offered to them in terms of the Rights Offer. Accordingly, Qualifying Shareholders may apply for additional Non-committed Rights Offer Shares in excess of the Rights Offer Shares allocated to that Qualifying Shareholder in terms of the Rights Offer, on the same terms and conditions as those applicable to the Rights Offer. The right to apply for additional Non-committed Rights Offer Shares is non-transferable.
- 3.5.3 Qualifying Shareholders holding Certificated Shares (South Africa) wishing to apply for excess Non-committed Rights Offer Shares should complete the enclosed Form of Instruction in accordance with the instructions contained therein and return it to the Transfer Secretaries at the addresses set out in the section of this Circular dealing with the "*Action Required by Shareholders*" on page 3 above.
- 3.5.4 Qualifying Shareholders holding Dematerialised Shares wishing to apply for excess Non-committed Rights Offer Shares should instruct their CSDB, CSDP or broker, in terms of the custody agreement entered into between themselves and their CSDB, CSDP or broker, as to the number of excess Non-committed Rights Offer Shares for which they wish to apply.
- 3.5.5 An announcement is expected to be released on X-News and SENS on Thursday, 29 June 2023 stating the results of the Rights Offer and the basis of allocation of any excess Non-committed Rights Offer Shares for which applications are made.
- 3.5.6 The pool of Non-committed Rights Offer Shares to meet excess applications will be dealt with as set out below:
 - 3.5.6.1 if all the Non-committed Rights Offer Shares are taken up in the Rights Offer, then no additional Non-committed Rights Offer Shares will be made available for allocation to applicants;
 - 3.5.6.2 if the Non-committed Rights Offer Shares taken up in the Rights Offer and the excess applications for the Non-committed Rights Offer Shares together, are less than or equal to 100% (one hundred percent) of the number of Non-committed Rights Offer Shares available, the Board will allocate any or all excess applications in full; or
 - 3.5.6.3 if the Non-committed Rights Offer Shares taken up in the Rights Offer and the excess applications for the Non-committed Rights Offer Shares together, exceed 100% (one hundred percent) of the number of Non-committed Rights Offer Shares available, the pool of the excess Non-committed Rights Offer Shares will be allocated equitably, taking cognisance of the number of Ordinary Shares held by each excess applicant on the Record Date for the Rights Offer, the number of Rights Offer Shares taken up as a result of the Rights Offer and the number of excess Non-committed Rights Offer Shares applied for by such applicant.

- 3.5.7 Non-equitable allocations of excess Non-committed Rights Offer Shares, that do not comply with the provisions of paragraph 3.5.6.3, will only be allowed in instances where they are used for rounding purposes.
- 3.5.8 Non-committed Rights Offer Shares in respect of successful excess applications will be issued on Thursday, 29 June 2023.
- 3.5.9 Refunds of monies in respect of unsuccessful applications for additional Non-committed Rights Offer Shares by Qualifying Shareholders holding Certificated Shares will be paid to the relevant applicants, at their risk, on or about Monday, 3 July 2023. No interest will be paid on monies received in respect of unsuccessful applications.

3.6 Minimum Subscription

The Rights Offer is not conditional on any minimum subscription being obtained.

3.7 Irrevocable Undertaking

- 3.7.1 In terms of the Irrevocable Undertakings, Choppies has received a commitment from its major shareholders, including those holding more than 10% of the issued share capital of the Company, to (i) follow its rights in terms of the Rights Offer and subscribe for 260 086 814 Rights Offer Shares. The aforesaid commitment to subscribe for the Committed Rights Offer Shares equates to approximately P149 810 005.
- 3.7.2 Irrevocable Undertakings have been provided as follows:

| Shareholder | Number of Shares held | Shares held as a % of all the Shares in issue prior to the Rights Offer | Rights Offer Shares Subscribed |
|--------------------------------------|-----------------------|---|--------------------------------|
| Ramachandran Ottapathu | 284 049 332 | 21.79% | 113 484 913 |
| Farouk Ismail | 223 067 144 | 17.11% | 89 120 981 |
| Calius SA Proprietary Limited | 42 682 168 | 3.27% | 17 052 608 |
| K2016119315 (South Africa) (Pty) Ltd | 32 107 174 | 2.46% | 12 827 630 |
| Tigmon Willow (Pty) Ltd | 17 231 785 | 1.32% | 6 884 535 |
| Shanta Retail Holdings Limited | 51 851 890 | 4.00% | 20 716 145 |
| Total | 650 989 493 | 49.95% | 260 086 814 |

- 3.7.3 The Board, after due and careful enquiry are of the opinion that the providers of the Irrevocable Undertakings have sufficient resources to meet its financial commitments in terms of their respective Irrevocable Undertakings.
- 3.7.4 No securities are offered as a preferential right to any person, other than as contemplated by virtue of the Rights Offer.

3.8 Underwriting

Ivygrove

- 3.8.1 In terms of the Ivygrove Underwriting Agreement, Choppies has received a commitment from Ivygrove to partially underwrite a maximum of 208 333 333 Rights Offer Shares that are not taken up by other Shareholders in terms of the Rights Offer. The aforesaid commitment to subscribe for the Committed Rights Offer Shares equates to approximately P120 000 000.
- 3.8.2 In terms of the Ivygrove Underwriting Agreement, Ivygrove will receive a fee of 1% of the subscription fee which would be payable for all for the Underwritten Rights Offer Shares under this Agreement, being 1% of P120 000 000 ("**Underwriting Fees**"), regardless of the number of Underwritten Rights Offer Shares actually subscribed for by Ivygrove.
- 3.8.3 In the opinion of the independent non-executive Directors of the Board, the Underwriting Fees due to Ivygrove are not greater than the current market rate charged by independent underwriters.
- 3.8.4 The Board, after due and careful enquiry are of the opinion that Ivygrove has sufficient resources to meet its financial commitments in terms of the Ivygrove Underwriting Agreement.

Export Marketing

- 3.8.5 In terms of the Export Marketing Underwriting Agreement, Choppies has received a commitment from Export Marketing to partially underwrite a maximum of 60 763 888 Rights Offer Shares that are not taken up by other Shareholders in terms of the Rights Offer. The aforesaid commitment to subscribe for the Committed Rights Offer Shares equates to approximately P35 000 000.
- 3.8.6 In terms of the Export Marketing Underwriting Agreement, Export Marketing will receive an administration fee for all reasonable administrative expenses incurred in relation to the Underwriting (including legal fees), which fees shall not exceed 1% of the subscription price paid by Export Marketing for the aggregate Underwritten Rights Offer Shares taken up in terms of the Export Marketing Underwriting Agreement ("**Administrative Fees**").
- 3.8.7 In the opinion of the independent non-executive Directors of the Board, the Administrative Fees due to Export Marketing are not greater than the current market rate charged by independent Underwriters.
- 3.8.8 The Board, after due and careful enquiry are of the opinion that Export Marketing has sufficient resources to meet its financial commitments in terms of the Export Marketing Underwriting Agreement.

General

- 3.8.9 No securities are offered as a preferential right to any person, other than as contemplated by virtue of the Rights Offer.
- 3.8.10 Further particulars of the Underwriters are set out in **Annexure 2** to this Circular.

3.9 Procedures for Acceptance

- 3.9.1 If you are a Qualifying Shareholder holding Certificated Shares (South Africa only) and/or have had Rights renounced in your favour, and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it together with payment of the Rights Offer Price with the Transfer Secretaries at the addresses set out on page 1 of this Circular, so as to be received by the Transfer Secretaries by no later than 12:00 on Wednesday, 28 June 2023. Once received by the Transfer Secretaries, the acceptance is irrevocable and may not be withdrawn.
- 3.9.2 If payment is not received on or before 12:00 on Wednesday, 28 June 2023, the day of the closing of the Rights Offer, the Qualifying Shareholder will be deemed to have declined the Rights Offer and to subscribe for Rights Offer Shares pursuant to the Rights Offer.
- 3.9.3 Qualifying Shareholders are advised to deliver their completed Forms of Instruction together with their **proof of EFT payment and EFT swift reference number** by electronic mail, by hand or by courier, where possible to the Transfer Secretaries as set out in the enclosed Form of Instruction and in accordance with the provisions of the section of this Circular titled "*Action Required by Shareholders*".
- 3.9.4 If you are a Qualifying Shareholder and have dematerialised your Ordinary Shares, you will not receive a printed Form of Instruction. You should receive notification from your CSDB, CSDP or Broker regarding the Rights to which you are entitled in terms of the Rights Offer.
- 3.9.5 If you are a Qualifying Shareholder holding dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDB, CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDB, CSDP or Broker.
- 3.9.6 **Choppies does not take responsibility and will not be held liable for any failure on the part of any CSDB, CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.**
- 3.9.7 **ALL CERTIFICATED SHAREHOLDERS IN BOTSWANA WHO ARE STILL HOLDING THEIR PHYSICAL SHARE CERTIFICATES MUST DEMATERIALISE THEIR SHARES TO THE BELOW BROKERS WHO ARE REGISTERED WITH THE CSDB TO OPEN AN ACCOUNT. PLEASE SEE DETAILS IN THE ACTION REQUIRED BY SHAREHOLDERS SECTION OF THIS CIRCULAR FOR FURTHER DETAILS.**

3.10 Procedures for Sale and Renunciation

3.10.1 If you are a Qualifying Shareholder holding Certificated Shares and do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your entitlement as follows:

3.10.1.1 if you wish to sell all or part of your entitlement, you must complete **Form A** in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 23 June 2023. The Transfer Secretaries will endeavour to procure the sale of Rights on the BSE or the JSE, as the case may be, on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries, Share Register Support Services nor Choppies will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements; and

3.10.1.2 if you wish to renounce your entitlement or any part thereof in favour of any named renounee, you must complete **Form B** in the enclosed Form of Instruction, and the renounee must complete **Form C** in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Wednesday, 28 June 2023, **together with an EFT accompanied by an EFT swift reference number for the appropriate subscription amount**. If you wish to renounce parts of your entitlement in favour of different renounees, you may copy **Form B** and use a copied **Form B** for each additional renounee.

3.11 If you are a Qualifying Shareholder holding Dematerialised Shares and wish to renounce or sell some or all of the Rights allocated to you as a holder of Dematerialised Shares, you should make the necessary arrangements with your CSDB, CSDP or Broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDB, CSDP or Broker.

3.12 **ALL CERTIFICATED SHAREHOLDERS IN BOTSWANA WHO ARE STILL HOLDING THEIR PHYSICAL SHARE CERTIFICATES MUST DEMATERIALISE THEIR SHARES TO THE BELOW BROKERS WHO ARE REGISTERED WITH THE CSDB TO OPEN AN ACCOUNT. PLEASE SEE DETAILS IN THE ACTION REQUIRED BY SHAREHOLDER SECTION OF THIS CIRCULAR FOR FURTHER DETAILS.**

3.13 Payment

3.13.1 Payment by holders of Certificated Shares (South Africa)

3.13.1.1 The amount due on acceptance of the Rights Offer is payable Rand.

3.13.1.2 **An EFT accompanied by an EFT swift reference number** (obtainable from the Transfer Secretaries, +27 11 370 5000 if calling from within South Africa and +27 861 100 634 if calling from outside South Africa; or via email at corporate.events@computershare.co.za), together with a properly completed Form of Instruction, should be clearly marked "**Choppies Enterprises Limited – Rights Offer**", and delivered to:

so as to be received by the Transfer Secretaries by no later than 12:00 on Wednesday, 28 June 2023.

South Africa:

By hand to:

Choppies Enterprises Limited – Rights Offer
Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

By post to:

Choppies Enterprises Limited – Rights Offer
Private Bag X3000, Saxonwold, 2132

By electronic mail to:

Choppies Enterprises Limited – Rights Offer
corporate.events@computershare.co.za

3.13.1.3 Payments by way of cheques or bankers' drafts will not be accepted.

3.13.1.4 Money received in respect of an application that is rejected or otherwise treated as void by Choppies, or which is otherwise not validly received in accordance with the terms stipulated, will be refunded by way of EFT (without interest) in Pula or Rand, as the case may be, to the applicant concerned on or about Monday, 3 July 2023.

3.13.2 Payment by holders of Dematerialised Shares (South Africa and Botswana)

Payment will be effected on the Shareholder's behalf in Pula or Rand, as the case may be, by the CSDB, CSDP or Broker for South African Shareholders. The CSDB, CSDP or Broker will make payment in respect of Qualifying Shareholders holding Dematerialised Shares on a delivery versus payment basis.

Shareholders in Botswana will be required to make payment directly to the Company. The bank account details can be obtained from the Share Register Support Services at PO Box 1157, Plot 50370, Acumen Park, Fairgrounds, Gaborone. Email: aparna.vijay@bw.gt.com or lydia.kootshotse@bw.gt.com.

3.14 Exchange Control Regulations

3.14.1 Please see **Annexure 3** for further details regarding the applicable exchange control regulations.

3.15 BSE and JSE Listings

3.15.1 The BSE has approved the listing of:

- the Letters of Allocation in respect of all of the Rights Offer Shares with effect from the commencement of trade on Tuesday, 13 June 2023, to the close of trade on Friday, 23 June 2023, both days inclusive;
- all Rights Offer Shares; with effect from the commencement of trade on Friday, 30 June 2023.

3.15.2 The Issuer Regulation Division of the JSE has approved the listing of:

- the Letters of Allocation in respect of all of the Rights Offer Shares with effect from the commencement of trade on Tuesday, 13 June 2023, to the close of trade on Friday, 23 June 2023, both days inclusive;
- all Rights Offer Shares, with effect from the commencement of trade on Monday, 26 June 2023.

3.16 Documents of Title

3.16.1 New Ordinary Share certificates to be issued to Qualifying Shareholders holding Certificated Shares who have opted to "*rematerialise*" their Dematerialised Rights Offer Shares to which they are entitled as contemplated in the section titled "*Action Required by Shareholders*", will be posted to persons entitled thereto, by registered post, at the risk of the Shareholders concerned, on or about Thursday, 29 June 2023, provided that the Form of Instruction in respect thereof has been provided to the Transfer Secretaries before 12:00 on Friday, 23 June 2023.

3.16.2 Qualifying Shareholders receiving the Rights Offer Shares must note that such Certificated Shares are not good for delivery in respect of future trades on the JSE until they have been dematerialised.

3.16.3 Qualifying Shareholders holding Dematerialised Shares who have applied for, and been allotted, Ordinary Shares under the Rights Offer will have their accounts updated with the Rights Offer Shares to which they are entitled and in respect of which they have accepted the Rights Offer, on Thursday, 29 June 2023.

3.16.4 ALL CERTIFICATED SHAREHOLDERS IN BOTSWANA WHO ARE STILL HOLDING THEIR PHYSICAL SHARE CERTIFICATES MUST DEMATERIALISE THEIR SHARES TO THE BELOW BROKERS WHO ARE REGISTERED WITH THE CSDB TO OPEN AN ACCOUNT. PLEASE SEE DETAILS IN THE ACTION REQUIRED BY SHAREHOLDERS SECTION OF THIS CIRCULAR FOR FURTHER DETAILS.

3.17 Taxation

Shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their Rights in terms of the Rights Offer.

4. EXPENSES

- 4.1 It is estimated that Choppies' expenses relating to the Rights Offer will amount to approximately **P5 000 000**. The expenses (excluding VAT) relating to the Rights Offer have been detailed below.

| Nature of expense | Paid/Payable to | P'000 |
|---|-------------------------------|--------------|
| BSE documentation inspection fee | BSE | 10 |
| BSE listing fee | BSE | 130 |
| JSE documentation inspection fee | JSE | 34 |
| Printing, publication and distribution | The Oak Tree Group | 200 |
| Transaction Advisor and JSE Sponsor | PSG Capital | 3 000 |
| BSE Sponsor | Botswana Stockbrokers | 50 |
| Legal Advisor – Botswana | Armstrongs | 75 |
| Tax and Exchange Control Advisor | Cliffe Dekker Hofmeyr Inc. | 35 |
| Transfer Secretaries | Computershare and CSDB | 150 |
| Underwriting fee | Ivygrove and Export Marketing | 1 500 |
| Reporting Accountant Fee | Mazars | 350 |
| Total | | 5 534 |
| To be funded internally | | (534) |
| To be funded by the Rights Offer | | 5 000 |

- 4.2 Other than set out above, Choppies has incurred no preliminary expenses or paid any commissions, discounts, brokerage fees or concluded any other special terms in relation to this Rights Offer or any other sale or issue of share capital in any member of the Choppies Group of companies during the three years preceding the date of this Circular.

- 4.3 The expenses of the Rights Offer will be written off against the Stated Capital.

5. INFORMATION ON CHOPPIES

5.1 Overview of Business and Prospects

- 5.1.1 Choppies is a Botswana-based investment holding company operating in the retail sector in Southern Africa. Choppies is primary listed on the BSE and secondary listed on the JSE. Its operations are food and general merchandise retailing as well as financial service transactions supported by centralised distribution channels through distribution and logistical support centres. No change in the nature of business is being contemplated by Choppies.
- 5.1.2 Each week, approximately 2.0 million customers visit 173 stores under five formats in four countries – Botswana, Namibia, Zambia and Zimbabwe. With annual revenue of more than P6.5 billion (R9.0 billion), Choppies employs over 9 500 people and is the largest grocery retailer in Southern Africa, outside of South Africa.
- 5.1.3 Originally established in Lobatse, Botswana in 1986, Choppies has grown into a P6.5 billion (R9.0 billion) revenue company with a broad presence throughout Botswana and growing footprint in three other African countries. Approximately 35% (thirty five percent) of the total gross assets of the Choppies Group are situated outside of Botswana.
- 5.1.4 The Choppies Group employs 9 686 employees (June 2022: 9 177 employees) with the increase due mainly to new stores.
- 5.1.5 As a result of Choppies' strong market position, and the additional capital raised in the Rights Offer, the Board is of the view that the prospects of Choppies are favourable.
- 5.1.6 Sales growth was much stronger in the quarter ended March 2023 (Q3) than in the first six months – both for the Choppies Group and Botswana. Adjusted EBITDA growth will remain negative for Botswana and the Choppies Group for Q3, but at a lower negative growth than we experienced in the first half.
- 5.1.7 We expect to grow adjusted EBITDA in fiscal quarter 4 (three months to June 2023) and then for the full year to FY2024.

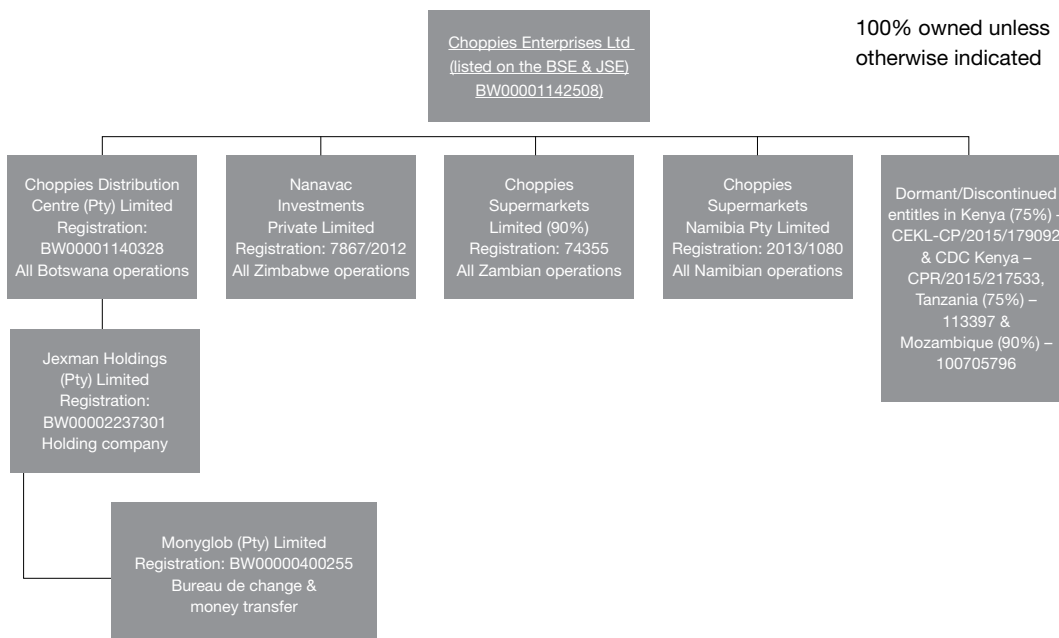
- 5.1.8 As the economies in which the Choppies Group operates recover and the new stores reach full potential, an improvement in margins is expected. With a value proposition that resonates with customers and with the cost of everyday items still stubbornly high in too many categories, more customers are choosing Choppies for the value and assortment we are known for. While we have strong and resilient brands, affordability is a growing constraint for consumers, limiting their ability to digest higher prices.
- 5.1.9 The Choppies Group's negative equity reduced from P341 million as at June 2022 to P257 million as at December 2022, due to trading profits.
- 5.1.10 The Choppies Group faced a demanding economic environment over the last 12 months, which were characterised by stubbornly high inflation, higher interest rates and unemployment, all of which continue to constrain consumer spending and their ability to digest higher prices. Sales volumes were lower in many categories, and were exacerbated by competitor discounting, with cost pressures only partly recovered through price increases.
- 5.1.11 Choppies expects continued uncertainty in its business and Southern Africa due to the duration and intensity of load shedding in South Africa; the volatility in employment trends, inflationary pressures, and consumer confidence, all of which may impact our results.

5.2 Statement as to Adequacy of Working Capital

- 5.2.1 In ensuring the ability of the Group to operate as a going concern for at least the following 12 months, the Board considered the detailed cash flow forecasts as prepared by management, undertakings of financial support by the founding Shareholders, the economic outlook of the countries in which it operates as well as the probable future impact of load shedding in South Africa, from where we source products.
- 5.2.2 The Board, relying on the presentations by management, is of the opinion that the Choppies Group would be a going concern for the foreseeable future and that the working capital available to the Choppies Group is sufficient for the Choppies Group's present requirements for at least the next 12 months from the date of this Circular.

5.3 Organogram

Below is an organogram of the Choppies Group:



5.4 Legal or Arbitration Proceedings

- 5.4.1 The Company has not been involved in any material legal or arbitration proceedings which may have an adverse effect on the financial position of the Company during the 12 months preceding the date of this Circular.
- 5.4.2 There are no such proceedings currently threatened or pending against the Company except for a standard tax audit the by the Botswana Unified Revenue Services ("BURS"). BURS have not concluded on any tax liabilities at this moment. The tax audit relates to financial years 2018 to 2021 and is in progress.

5.4.3 Acquisition of 76% (seventy six percent) of Kamoso Africa Group (Pty) Ltd (BW00000276546)

Shareholders are referred to the cautionary announcement dated 23 January 2023, which was renewed on 22 March 2023, 21 April 2023 and 26 May 2023. The Company is still in negotiations with relevant stakeholders to acquire a controlling stake (76%) of the issued shares in Kamoso Africa – a Botswana-based Company, operating a fast-moving consumer goods business. The Company has received conditional approval from the Botswana Competition & Consumer Authority as well as conditional approval from the BSE for this acquisition.

5.5 Information Relating to the Directors and Executive Management of Choppies

5.5.1 Directors and executive management

5.5.1.1 The Choppies Directors are as follows:

| Director | Nationality |
|---------------------------|--------------------|
| Uttum Corea | Botswana |
| Ramachandran Ottapathu | Botswana |
| Farouk Ismail | Botswana |
| Carol-Jean Harward | Botswana |
| Ranjith Priyalal De Silva | Sri Lanka |
| Valentine Chitalu | Zambia |

5.5.1.2 There will be no variation in the Directors and/or the executive management of Choppies as a consequence of this Rights Offer.

5.5.1.3 None of the Directors have been convicted of an offence involving dishonesty, declared bankrupt, insolvent or entered into voluntary compromise or arrangements, nor have they been publicly criticised by any statutory or regulatory authorities or disqualified by a court from acting as a director, manager or conducting the affairs of a company.

5.5.1.4 There were no receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise with creditors generally or any class of creditors, where any Director is or was a director with an executive function of such company at the time of, or within 12 months preceding such events.

5.5.1.5 All of the Directors have completed Directors' declarations in terms of Schedule 13 of the JSE Listings Requirements and Appendix 4(a) of the BSE Listing Requirements relating to the appointment of new Directors, copies of which are available for inspection in terms of paragraph 9 of the Circular.

5.5.1.6 **Annexure 11** hereto includes a list of all other directorships held by the Directors.

5.5.2 Directors' emoluments

5.5.2.1 There will be no variation in the remuneration receivable by any of the Directors as a consequence of this Rights Offer.

5.5.2.2 Each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection in terms of paragraph 9 of the Circular. The duration of each Director's appointment is determined by such agreement.

5.5.2.3 For the year ended 30 June 2022, the Directors received in aggregate remuneration in the sum of P14.3 million.

5.5.2.4 Certain Directors have related party transactions with the Company. These are detailed in the June 2022 annual financial statements on Note 39 on page 69 of the annual financial statements and page 170 of the Integrated Annual Report.

5.5.3 Contracts and arrangements with Directors

5.5.3.1 As of the date of this Circular, no Director has an interest in an arrangement or contract entered into between the Company or any of its subsidiaries, and a third party other than as disclosed in Note 39 in the Integrated Annual Report.

5.5.3.2 The Choppies Group's related parties include its key management, and companies with common Directors and ownership. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

5.5.4 Directors' interests in securities

At the Last Practicable Date, the following Directors of Choppies (and their associates), including Directors who have resigned during the last 18 months, held, in aggregate, directly and indirectly, approximately 33.3% of Choppies' issued Shares, as follows:

| Director | Beneficial | | Total | Percentage Held |
|------------------------|-------------|------------|-------------|-----------------|
| | Direct | Indirect | | |
| Farouk Ismail | 223 067 144 | 48 624 777 | 271 691 921 | 20.84% |
| Ramachandran Ottapathu | 284 049 332 | 46 221 064 | 330 270 396 | 25.33% |
| Carol-Jean Harward | 135 847 | – | 135 847 | 0.0% |

5.6 Share Capital

The issued share capital of Choppies, before and after the Rights Offer is set out below:

| | P'000 |
|---|------------------|
| Stated capital | |
| 1 303 628 341 ordinary shares of no par value | |
| <i>In Issue before the Rights Offer</i> | 906 196 |
| 1 303 628 341 ordinary shares of no par value | |
| <i>Issued in terms of the Rights Offer</i> | |
| 520 833 333 ordinary shares of no par value | |
| Stated capital | 520 833 |
| <i>In Issue after the Rights Offer</i> | |
| 1 824 461 674 ordinary shares of no par value | |
| Stated capital | 1 427 029 |

Notes:

1. Choppies has 12 000 000 shares held in treasury, as at the Last Practicable Date.
2. Assuming all Rights Offer Shares are subscribed for in terms of the Rights Offer.
3. Choppies Share Plan: The Board introduced a Share Plan during the current financial year. Full details of the Plan are detailed in the FY2022 Remuneration Report on page 85 of the IAR. As at the time of issuing this circular, no shares have been issued to any employees. The next awards will happen after the June 2023 financial year, assuming eligible employees achieve their respective goals as required by the Plan.

5.7 Loan Receivables

There are no significant loan receivables. Receivables shown on the statement of financial position of the Choppies Group relate to trade receivables, advances, deposits, VAT receivable and prepayments, all interest-free and in the ordinary course of business.

5.8 Material Borrowings

The Choppies Group has borrowings from banks, Shareholders and also has borrowings in terms of finance and lease liabilities. These are disclosed in our latest annual financial statements under Notes 31 and 32.

5.9 Intellectual Property

The Choppies Group currently has registered trademarks in Botswana which are issued in branding the products manufactured by the Choppies Group. The Choppies Group is dependent on the trademarks for purpose of making their products easily distinguishable. Details of the trademarks are as set out in **Annexure 12**.

5.10 Corporate Governance

5.10.1 Choppies is a BSE and JSE listed entity committed to implementing and maintaining sound corporate governance practices, as set out in the Botswana Companies Act, BSE Listings Requirements (primary listing), JSE Listings Requirements (secondary listing), and the King IV code on corporate governance. The Board recognises that corporate governance practices must be appropriate and relevant to the size, nature and complexity of its operations, while promoting robust practices within the context of economic performance. Choppies is committed to maintaining the highest standards of governance and adopts stringent compliance practices.

5.10.2 The Company believes that its governance practices are sound and, in all material respects, conform to the principles embodied within the King IV Report on Corporate Governance. A compliance checklist based on the King IV principles is set out on pages 90 to 96 of the 2022 Integrated Annual Report of the Company.

5.11 Material Changes

5.11.1 There have been no significant adverse changes in the financial or trading position of the Choppies Group since the last interim statement has been published.

5.11.2 Shareholders are referred to the cautionary announcement released during January 2023 and renewed since then. The Company is still in negotiations with relevant stakeholders to acquire a controlling stake (76%) of the issued shares in Kamoso Africa – a Botswana-based Company, operating a fast-moving consumer goods business. The Company has received conditional approval from the Botswana Competition & Consumer Authority as well as conditional approval from the BSE for this acquisition.

5.11.3 There have been no changes to the nature of business. However, when we acquire the Kamoso Group, our nature of business will include limited manufacturing which will not be a material component of our total business.

5.12 Share Plans

5.12.1 The Choppies Group has a short-term incentive scheme for all employees which is detailed on page 84 of the Integrated Annual Report for 2022.

5.12.2 A long-term incentive scheme, The Choppies Enterprises Limited 2022 Share Plan (“**the Share Plan**”) was implemented and commenced during the 2023 financial year.

5.12.3 The rules of the Share Plan are available on request from the Company Secretary and the salient features of the Share Plan are set out on pages 85 to 87 of the Integrated Annual Report for 2022.

6. SHARE TRADING HISTORY

The share trading history of Choppies on the BSE and the JSE up to the Last Practicable Date is set out in **Annexure 5** of this Circular.

7. RESPONSIBILITY STATEMENT

7.1 The Directors of Choppies, whose names appear in the “*Corporate Information and Advisors*” section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular false or misleading, and that they have made all reasonable inquiries to ascertain such facts, and that this Circular contains all information required by law and the BSE Listings Requirements.

7.2 The Directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the listing particulars relate.

7.3 It is the opinion of the Board, with concurrence of the audit and risk committee of the Board, that the internal controls of the Company are adequate and suitably address all financial, operational and compliance risks of the Company.

8. CONSENTS

- 8.1 Each of the advisors whose names appear in the “*Corporate Information and Advisors*” section of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.
- 8.2 None of the advisors hold shares in any member of the Choppies Group of companies, nor any right to subscribe for or to nominate persons to subscribe for securities in any member of the Choppies Group of companies.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of PSG Capital and the BSE Sponsor during normal business hours (excluding Saturdays, Sundays and public holidays) and, to the extent that these documents are not commercially sensitive, on the Company’s website (<https://choppiesgroup.com/>), from the date of issue of this Circular up to and including Thursday, 29 June 2023:

- 9.1 the Constitution of Choppies;
- 9.2 the audited financial statements of Choppies for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- 9.3 the reviewed interim results for the six months ended 31 December 2022;
- 9.4 the reporting accountants report on the historical financial information of Choppies;
- 9.5 service contracts with Directors or members of the executive committee entered into during the last three years, as may be applicable;
- 9.6 the Irrevocable Undertaking;
- 9.7 the Ivygrove Underwriting Agreement;
- 9.8 the Export Marketing Underwriting Agreement;
- 9.9 written consents of the advisors, as contemplated in paragraph 8 above;
- 9.10 a signed copy of this Circular; and
- 9.11 powers of attorney signed by the Directors.

Signed on 1 June 2023 at Botswana by Mr Ramachandran Ottapathu for and on behalf of all the other Directors of Choppies Enterprises Limited, in terms of Powers of Attorney granted to him by such Directors



RAMACHANDRAN OTTAPATHU
Chief Executive Officer
Botswana

Date: 7 June 2023

TABLE OF ENTITLEMENT

The number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out below. Shareholders will be entitled to 1 Rights Offer Share for every 2.50297 Ordinary Shares held. Shareholders' entitlements will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions of less than 0.5 being rounded down, and only whole numbers of Rights Offer Shares will be issued, in accordance with the Listings Requirements.

| No. of Ordinary Shares held | Rights Offer Entitlement | No. of Ordinary Shares held | Rights Offer Entitlement | No. of Ordinary Shares held | Rights Offer Entitlement |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1 | 1 | 42 | 17 | 83 | 34 |
| 2 | 1 | 43 | 18 | 84 | 34 |
| 3 | 2 | 44 | 18 | 85 | 34 |
| 4 | 2 | 45 | 18 | 86 | 35 |
| 5 | 2 | 46 | 19 | 87 | 35 |
| 6 | 3 | 47 | 19 | 88 | 36 |
| 7 | 3 | 48 | 20 | 89 | 36 |
| 8 | 4 | 49 | 20 | 90 | 36 |
| 9 | 4 | 50 | 20 | 91 | 37 |
| 10 | 4 | 51 | 21 | 92 | 37 |
| 11 | 5 | 52 | 21 | 93 | 38 |
| 12 | 5 | 53 | 22 | 94 | 38 |
| 13 | 6 | 54 | 22 | 95 | 38 |
| 14 | 6 | 55 | 22 | 96 | 39 |
| 15 | 6 | 56 | 23 | 97 | 39 |
| 16 | 7 | 57 | 23 | 98 | 40 |
| 17 | 7 | 58 | 24 | 99 | 40 |
| 18 | 8 | 59 | 24 | 100 | 40 |
| 19 | 8 | 60 | 24 | 125 | 50 |
| 20 | 8 | 61 | 25 | 150 | 60 |
| 21 | 9 | 62 | 25 | 175 | 70 |
| 22 | 9 | 63 | 26 | 200 | 80 |
| 23 | 10 | 64 | 26 | 500 | 200 |
| 24 | 10 | 65 | 26 | 1 000 | 400 |
| 25 | 10 | 66 | 27 | 5 000 | 1 998 |
| 26 | 11 | 67 | 27 | 10 000 | 3 996 |
| 27 | 11 | 68 | 28 | 20 000 | 7 991 |
| 28 | 12 | 69 | 28 | 50 000 | 19 977 |
| 29 | 12 | 70 | 28 | 100 000 | 39 953 |
| 30 | 12 | 71 | 29 | 200 000 | 79 906 |
| 31 | 13 | 72 | 29 | 300 000 | 119 858 |
| 32 | 13 | 73 | 30 | 400 000 | 159 811 |
| 33 | 14 | 74 | 30 | 500 000 | 199 763 |
| 34 | 14 | 75 | 30 | 1 000 000 | 399 526 |
| 35 | 14 | 76 | 31 | 2 000 000 | 799 051 |
| 36 | 15 | 77 | 31 | 3 000 000 | 1 198 577 |
| 37 | 15 | 78 | 32 | 4 000 000 | 1 598 102 |
| 38 | 16 | 79 | 32 | 5 000 000 | 1 997 627 |
| 39 | 16 | 80 | 32 | 10 000 000 | 3 995 254 |
| 40 | 16 | 81 | 33 | 50 000 000 | 19 976 269 |
| 41 | 17 | 82 | 33 | 100 000 000 | 39 952 537 |

INFORMATION ON THE UNDERWRITERS

The Rights Offer has been partially underwritten by the following Underwriters. Details pertaining to the Underwriters as required by the BSE Listings Requirements are set out below:

IVYGROVE HOLDINGS PROPRIETARY LIMITED

1. Nature of business

General Trading in all aspects

2. Directors

Mikaeel Moti

David Gavin Willoughby

3. Company Secretary

N/A

4. Date and place of incorporation

30 January 2023, South Africa

5. Registration number

2023/535753/07

6. Registered office

106 – 108 4th Street, Parkmore, Sandton, 2196

7. Auditors

None

8. Bankers

First National Bank

9. Authorised share capital

Ordinary share capital

1 000

Preference share capital

Zero

10. Issued share capital

Ordinary share capital

100

11. Preference share capital

Zero

EXPORT MARKETING (BVI) LIMITED

1. Nature of business

Investment holding company for general trading group

2. Directors

Maheshkumar Raojibhai Patel

Ketankumar Vinubhai Patel

Birju Pradipkumar Patel

3. Company Secretary

N/A

4. Date and place of incorporation

26 October 1999, British Virgin Islands

Registration number: 349682

5. Registered office

80 Main Street, PO Box 3200, Road Town, Tortola, VG1110, British Virgin Islands

6. Auditors

None

7. Bankers

Bordier & Cie

8. Authorised share capital

Ordinary share capital

50 000

Preference share capital

Zero

9. Issued share capital

Ordinary share capital

12

10. Preference share capital

Zero

EXCHANGE CONTROL REGULATIONS

The summary of the exchange control provisions pertaining to the issue of shares by and/or the holding of shares in the Company is based on the current laws of South Africa that are applicable as at the date of this Circular and is subject to potential changes that may be made to such legislation subsequently, which could be retrospective. The summary does not constitute any advice and is intended as a general guideline only. It is not intended to be a comprehensive statement of the applicable exchange control provisions that may be applicable to the issue of shares by and/or the holding of shares in the Company. Shareholders that are uncertain how to deal with any exchange control related matters should contact their own professional advisors without delay. It should be noted that the Company is subject to exchange control restrictions by virtue of its shares being listed on the Johannesburg Stock Exchange (“**JSE**”).

As per the abolition of the Exchange Control Act (Cap 55:03) of Botswana which was abolished on 9 February 1999, no exchange controls exist in Botswana as at the publication of this circular. This summary is therefore not applicable for any shares listed on the BSE.

This summary is limited to shares listed on the JSE and not shares listed on any other foreign exchange.

EXCHANGE CONTROL (SOUTH AFRICA)

The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area (the “**CMA**”). The CMA consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of the countries comprising the CMA and foreigners are subject to Exchange Control Regulations provisions, which are administered by the South African Reserve Bank (“**SARB**”).

Various reforms have been made to the Exchange Control Regulations with a view to relax the rules pertaining to foreign investments. A considerable degree of flexibility is built into the system and the SARB has substantial discretionary powers in approving or rejecting a specific application that has been submitted through an Authorised Dealer in foreign exchange appointed by the SARB. The relaxations of the provisions of the Exchange Control Regulations are contained in the Currency and Exchanges Manual for Authorised Dealers. As provided for in the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve certain transactions, without the SARB’s prior approval.

It was announced in the 2020 South African Budget that the Exchange Control Regulations will be replaced by a new capital flow management framework and regulations. Previously a distinction was made between residents, non-residents and emigrants. These concepts were described as follows –

- a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- a non-resident means any person, being a natural person or a legal entity, whose place of residence, domicile or registration is outside the CMA; and
- an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in a country outside the CMA.

It should be appreciated that a South African resident will only be regarded as an emigrant if he/she has formally recorded the emigration with the SARB in respect of the provisions that applied up to 28 February 2021. Shareholders that are not clear under which category they fall, should approach their relevant Authorised Dealer to request confirmation and the tax treatments pertaining to their holding of shares in the Company.

The concept of “*emigration*” as recognised by the SARB has been phased out with effect from 1 March 2021. Exchange Control Circular 6/2021 dated 26 February 2021 and 8/2021 dated 21 May 2021 set out the changes in relation to emigrants with effect from 1 March 2021. Instead of the formal concept of “*emigration*” being recognised, it has now been substituted with a verification process by the SARB. From 1 March 2021, natural person residents and natural person emigrants are treated identically. The process of blocking an emigrant’s remaining assets fell away and is treated as normal fund transfers in line with any other foreign capital allowance transfer. Authorised Dealers can now allow the transfer of assets of an emigrant abroad provided the natural person has ceased to be a resident of South Africa, has obtained a tax compliance status confirmation from SARS and is tax compliant upon verification of such confirmation. To ensure a smooth transition from the previous framework to the new framework, natural persons that applied to emigrate under the previous framework by obtaining an MP336(b) form that was attested to by an Authorised Dealer on or before 28 February 2021, will be dealt with under the previous framework should their emigration applications have been approved on or before 28 February 2021. Shareholders should consult their relevant Authorised Dealer should they be unsure of their status or the way in which they need to deal with their shareholding in the Company.

The position of the Company

Given the fact that the shares of the Company are listed on the JSE, the Company is subject to supervision by the SARB in terms of the Exchange Control Regulations. Approval has been obtained by the Company from the SARB to issue the Shares in terms of the Rights Offer as envisaged herein and to remit the proceeds, provided that the proceeds are converted from South African Rand to foreign currency first.

Ability of Shareholders to deal with shares subscribed for in the Company that are listed on the JSE

In terms of the Currency and Exchanges Manual for Authorised Dealers it is indicated that the following entities may invest in inward listed shares without restriction –

- South African companies, trusts, partnerships and private individuals;
- bay-non-residents; and
- South African institutional investors and Authorised Dealers.

Approved inward listed shares are classified as domestic assets.

South African investors are required to hold their inward listed shares on a South African exchange and such shares may not be moved to an offshore exchange unless specific prior approval is obtained from the SARB. As an exception private individuals may, as part of their single discretionary allowance and/or foreign capital allowance, export multi-listed domestic securities (including inward listed shares) to a foreign securities register in the jurisdiction where such securities are listed, subject to tax compliance and reporting to the SARB. The trade and settlement on path inward listed shares may only take place at market related prices and in Rand terms, where applicable.

There are no restrictions on the part of residents to subscribe for shares in terms of the Rights Offer.

The distinction between South African assets and non-resident assets remains extant.

With reference to non-residents, shares in the Company are credited directly to the share account of the relevant CSDP or Broker controlling their portfolios and an appropriate electronic entry will be made in the relevant register reflecting a “*Non-resident*” endorsement. A similar process applies to shares held by emigrants in the Company as these shares will be credited to the emigrant’s share account of the relevant CSDP or Broker controlling their remaining portfolios and a similar electronic entry will be made in the relevant register reflecting a “*Non-resident*” endorsement (which may be held to the order of the Authorised Dealer concerned under whose auspices the person’s remaining assets are held, should it be relevant in the case of emigrants). In the case of emigrants whose assets are controlled by an Authorised Dealer, notifications by emigrants must be made through such Authorised Dealer in order to subscribe for shares in the Company.

In terms of the Exchange Control Regulations of South Africa, non-residents of the Common Monetary Area will be allowed to:

- take up rights allocated in terms of the Rights Offer;
- purchase letters of allocation on the JSE;
- subscribe for new ordinary shares arising from letters of allocation purchased on the JSE; and
- purchase excess shares that have been applied for in terms of the Rights Offer (if applicable);

provided that payment is received in foreign currency or in South African Rand from a Non-resident Rand account in the name of the non-resident and/or Rand from a vostro account held in the books of the Authorised Dealer.

All applications by non-residents for the above purposes must be made through an Authorised Dealer. Shares subsequently re-materialised and issued in certificated form, will be endorsed “*Non-resident*”.

Where a right in terms of the Rights Offer falls due to a former resident of the CMA, which right is based on shares controlled in terms of the Exchange Control Regulations, only funds in the emigrant’s capital account may be used to take up this right. In addition, such funds may also be used to:

- purchase letters of allocation on the JSE;
- subscribe for new ordinary shares arising from the letters of allocation purchased on the JSE; and
- purchase excess shares that have been applied for in terms of the Rights Offer (if applicable).

Applications by emigrants to use funds in their capital account for the above purposes must be made through the Authorised Dealer controlling their remaining assets. Any shares issued pursuant to the use of funds in the emigrant capital account will be credited to their share accounts at the central securities depository participant controlling their remaining portfolios. The sale proceeds of letters of allocation, if applicable, will be returned to the Authorised Dealer for credit to such emigrants’ capital accounts.

Trading in shares

The main purpose in regulating the transfer of securities by a non-resident is to ensure that residents requiring funds outside the CMA do not obtain those funds by purchasing the same in the CMA and selling them outside the CMA without remitting the relevant proceeds to South Africa. Given the fact that income due to a non-resident on the transfer of its securities is freely transferable, non-residents may not purchase securities from residents other than through approved channels at the fair market price. Generally, the trading of shares listed on the JSE does not require specific SARB approval, except in specific circumstances. A non-resident may thus fairly invest in shares through normal banking channels against settlement in foreign currency, South African Rand from a non-resident account or South African Rand from a vostro account held in the books of the Authorised Dealer.

Shares in the Company are freely transferable outside the CMA between non-residents. No prior SARB approval is required for these transactions. The proceeds from the sale of ordinary shares on the JSE on behalf of non-residents are also freely remittable to these holders.

Dividends are equally freely transmissible to non-resident shareholders.

General

It should be appreciated that the relevant restrictions from an exchange control perspective are only applicable to those shares listed on the JSE and not those shares that are listed on any other exchange. Shareholders who are not resident in, or whose registered addresses are outside the CMA, will need to comply with the Exchange Control Regulations as set out above in relation to those jurisdictions.

If Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

INFORMATION FOR FOREIGN SHAREHOLDERS

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

No action has been taken by Choppies to obtain any approval, authorisation or exemption to permit the issue of Rights Offer Shares or the possession or distribution of this Circular (or any other publicity material relating to the Rights Offer Shares) in any jurisdictions other than Botswana and South Africa.

The Rights Offer is being conducted under the procedural requirements and disclosure standards of Botswana and South Africa which may be different from those applicable in other jurisdictions. The legal implications of the Rights Offer on persons resident or located in jurisdictions outside of Botswana or South Africa may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisors and inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such persons wishing to participate in the Rights Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this Circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this Circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of **Annexure 4** of the Circular.

The Rights Offer Shares have not been and will not be registered under the United States of America Securities Act of 1933 ("**US Securities Act**"). Accordingly, the Rights Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the US Securities Act. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.

The Rights Offer contained in this Circular does not constitute an offer in the District of Columbia, the United States, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Shareholders should consult their professional advisors to determine whether any governmental or other consents are required, or other formalities need to be observed to allow them to take up the Rights Offer. It is the responsibility of all Shareholders to ensure that taking up their Rights in terms of the Rights Offer does not infringe the laws of their jurisdiction.

To the extent that Non-qualifying Shareholders are not entitled to participate in the Rights Offer as a result of the aforementioned restrictions, such Non-qualifying Shareholders should not take up their Rights Offer entitlement and should allow their Rights in terms of the Rights Offer to lapse. Dematerialised Non-qualifying Shareholders should not instruct their CSDPs or brokers to follow their Rights and should allow their Rights in terms of the Rights Offer to lapse. Certificated Non-qualifying Shareholders should not instruct the Transfer Secretaries to follow their Rights and should allow their Rights in terms of the Rights Offer to lapse.

SHARE TRADING HISTORY OF CHOPPIES SHARES

Set out in the table below are the aggregate volumes and values and the highest and lowest prices traded in Choppies' Ordinary Shares in respect of:

- each day over the 30 trading days preceding the Last Practicable Date; and
- each month over the 12 months prior to the date of issue of this circular; and
- each quarter over the prior two-year period.

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each day over the 30 trading days preceding the Last Practicable Date on the JSE:

| Daily | Close (cents) | High (cents) | Low (cents) | Volume | Value (Rand) |
|-------------|------------------|-----------------|----------------|---------|-----------------|
| 2023 | | | | | |
| 18 April | 65 | 66 | 60 | 373 330 | 242 660 |
| 19 April | 61 | 66 | 61 | 10 800 | 6 590 |
| 20 April | 64 | 64 | 63 | 9 680 | 6 190 |
| 21 April | 68 | 73 | 60 | 46 160 | 31 390 |
| 24 April | 70 | 71 | 68 | 3 330 | 2 330 |
| 25 April | 68 | 69 | 62 | 8 170 | 5 560 |
| 26 April | 64 | 68 | 64 | 10 860 | 6 950 |
| 28 April | 68 | 71 | 68 | 12 320 | 8 370 |
| 2 May | 72 | 74 | 68 | 182 720 | 131 560 |
| 3 May | 67 | 72 | 67 | 1 050 | 700 |
| 4 May | 67 | 68 | 65 | 21 750 | 14 570 |
| 5 May | 67 | – | – | – | – |
| 8 May | 67 | 67 | 62 | 24 850 | 16 650 |
| 9 May | 55 | 67 | 55 | 16 530 | 9 090 |
| 10 May | 68 | 71 | 67 | 73 070 | 49 690 |
| 11 May | 68 | 69 | 68 | 45 850 | 31 180 |
| 12 May | 67 | 69 | 65 | 17 630 | 11 810 |
| 15 May | 61 | 61 | 61 | 12 800 | 7 810 |
| 16 May | 62 | 63 | 62 | 2 500 | 1 550 |
| 17 May | 72 | 72 | 65 | 14 580 | 10 500 |
| 18 May | 72 | 72 | 72 | 13 860 | 9 980 |
| 19 May | 71 | 71 | 71 | 8 700 | 6 180 |
| 22 May | 69 | 69 | 69 | 350 | 240 |
| 23 May | 61 | 69 | 61 | 14 720 | 8 980 |
| 24 May | 70 | 70 | 62 | 23 380 | 16 370 |
| 25 May | 65 | 70 | 65 | 60 990 | 39 640 |
| 26 May | 70 | 70 | 62 | 20 900 | 14 630 |
| 29 May | 64 | 64 | 61 | 5 240 | 3 350 |
| 30 May | 62 | 71 | 62 | 100 480 | 62 300 |
| 31 May | 66 | 66 | 65 | 700 | 460 |

Source of share trading information – S&P Capital IQ

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each month over the 12 months prior to the date of issue of this circular on the JSE:

| Month | High (cents) | Low (cents) | Volume | Value (Rand) |
|----------------|-----------------|----------------|-------------------|------------------|
| May 2022 | 65 | 53 | 284 040 | 167 830 |
| June 2022 | 67 | 50 | 1 274 120 | 769 830 |
| July 2022 | 66 | 60 | 332 300 | 214 720 |
| August 2022 | 113 | 60 | 3 403 710 | 2 849 000 |
| September 2022 | 98 | 75 | 382 740 | 316 260 |
| October 2022 | 91 | 56 | 576 970 | 447 320 |
| November 2022 | 92 | 80 | 360 210 | 313 350 |
| December 2022 | 94 | 71 | 652 740 | 550 490 |
| January 2023 | 95 | 62 | 1 936 170 | 1 542 390 |
| February 2023 | 77 | 59 | 928 520 | 610 680 |
| March 2023 | 73 | 58 | 827 890 | 533 270 |
| April 2023 | 74 | 55 | 662 650 | 447 240 |
| May 2023 | 65 | 53 | 284 040 | 167 830 |
| Total | - | - | 11 622 060 | 8 762 380 |

Source of share trading information – S&P Capital IQ

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each quarter over the prior two-year period on the JSE:

| Quarter start | Quarter end | High (cents) | Low (cents) | Volume | Value (Rand) |
|-----------------|------------------|-----------------|----------------|-------------------|-------------------|
| 1 June 221 | 31 August 2021 | 0.9 | 0.50 | 3 795 940 | 2 725 230 |
| 1 September 221 | 30 November 2021 | 1.1 | 0.65 | 4 352 690 | 3 458 840 |
| 1 December 221 | 28 February 2022 | 0.9 | 0.61 | 3 254 480 | 2 493 230 |
| 1 March 222 | 31 May 2022 | 0.73 | 0.42 | 10 246 440 | 5 846 030 |
| 1 June 222 | 31 August 2022 | 0.67 | 0.50 | 1 890 460 | 1 152 380 |
| 1 September 22 | 30 November 2022 | 1.13 | 0.56 | 4 363 420 | 3 612 580 |
| 1 December 222 | 28 February 2023 | 0.95 | 0.62 | 2 949 120 | 2 406 230 |
| 1 March 223 | 31 May 2023 | 0.77 | 0.55 | 2 419 060 | 1 591 190 |
| Total | | - | - | 33 271 610 | 23 285 710 |

Source of share trading information – S&P Capital IQ

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each day over the 30 trading days preceding the Last Practicable Date on the BSE:

| Day | Close (cents) | High (cents) | Low (cents) | Volume | Value (Pula) |
|-------------|------------------|-----------------|----------------|--------|-----------------|
| 2023 | | | | | |
| 18 April | 65 | - | - | - | - |
| 19 April | 65 | - | - | - | - |
| 20 April | 65 | - | - | - | - |
| 21 April | 65 | - | - | - | - |
| 24 April | 65 | - | - | - | - |
| 25 April | 65 | - | - | - | - |
| 26 April | 65 | - | - | - | - |
| 28 April | 65 | - | - | - | - |
| 2 May | 65 | - | - | - | - |
| 3 May | 65 | - | - | - | - |
| 4 May | 65 | - | - | - | - |
| 5 May | 65 | 65 | 65 | 1 460 | 950 |
| 8 May | 65 | - | - | - | - |
| 9 May | 65 | - | - | - | - |

| | | | | | |
|--------|----|----|----|-------|-------|
| 10 May | 65 | – | – | – | – |
| 11 May | 65 | – | – | – | – |
| 12 May | 65 | – | – | – | – |
| 15 May | 64 | 64 | 64 | 4 570 | 2 930 |
| 16 May | 64 | – | – | – | – |
| 17 May | 64 | – | – | – | – |
| 18 May | 64 | – | – | – | – |
| 19 May | 64 | – | – | – | – |
| 22 May | 64 | – | – | – | – |
| 23 May | 64 | – | – | – | – |
| 24 May | 64 | – | – | – | – |
| 25 May | 64 | – | – | – | – |
| 26 May | 64 | – | – | – | – |
| 29 May | 64 | – | – | – | – |
| 30 May | 64 | – | – | – | – |
| 31 May | 64 | – | – | – | – |

Source of share trading information – S&P Capital IQ

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each month over the 12 months prior to the date of issue of this circular on the BSE:

| Month | High (cents) | Low (cents) | Volume | Value (Pula) |
|----------------|-------------------------|------------------------|-------------------|-------------------------|
| June 2022 | 53 | 49 | 7 028 790 | 3 502 840 |
| July 2022 | 53 | 49 | 176 610 | 88 710 |
| August 2022 | 53 | 53 | 85 590 | 45 370 |
| September 2022 | 53 | 53 | 67 830 | 35 950 |
| October 2022 | 62 | 55 | 1 700 180 | 1 053 610 |
| November 2022 | 65 | 62 | 260 320 | 165 130 |
| December 2022 | 65 | 65 | 373 730 | 242 930 |
| January 2023 | 67 | 65 | 50 870 | 34 040 |
| February 2023 | 67 | 67 | 167 650 | 112 320 |
| March 2023 | 67 | 65 | 168 510 | 112 860 |
| April 2023 | 65 | 65 | 32 670 | 21 230 |
| May 2023 | 65 | 64 | 6 030 | 3 880 |
| Total | – | – | 10 118 780 | 5 418 870 |

Source of share trading information – S&P Capital IQ

The below table outlines the aggregate volumes and values and the highest and lowest prices traded each quarter over the prior two-year period on the BSE:

| Quarter start | Quarter end | High (cents) | Low (cents) | Volume | Value (Pula) |
|----------------------|--------------------|-------------------------|------------------------|-------------------|-------------------------|
| 1 June 2021 | 31 August 2021 | 0.6 | 0.49 | 602 400 | 344 190 |
| 1 September 2021 | 30 November 2021 | 0.6 | 0.60 | 908 860 | 545 340 |
| 1 December 2021 | 28 February 2022 | 0.6 | 0.60 | 342 060 | 205 230 |
| 1 March 2022 | 31 May 2022 | 0.68 | 0.53 | 970 540 | 577 030 |
| 1 June 2022 | 31 August 2022 | 0.53 | 0.49 | 7 290 990 | 3 636 920 |
| 1 September 2022 | 30 November 2022 | 0.65 | 0.53 | 2 028 330 | 1 254 690 |
| 1 December 2022 | 28 February 2023 | 0.67 | 0.65 | 592 250 | 389 290 |
| 1 March 2023 | 31 May 2023 | 0.67 | 0.64 | 207 210 | 137 970 |
| Total | | – | – | 12 942 640 | 7 090 660 |

Source of share trading information – S&P Capital IQ

SUMMARY OF THREE-YEAR HISTORICAL FINANCIAL INFORMATION AND REVIEWED INTERIM GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Historical financial information is available on the Company's website <https://choppiesgroup.com/> under Investor relations. In terms of BSE Listings Requirements, the last three years' historical financial information is available on the website and covers the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022.

There are three components to the financial reporting for each year on the website:

- Annual financial statements
Prepared in accordance with International Financial Reporting Standards ("**IFRS**"), Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, the Botswana Stock Exchange, Johannesburg Stock Exchange Listings Requirements and requirements of the Botswana Companies Act.

These annual financial statements are also included in the Integrated Annual Reports.

- Integrated Annual Reports ("**IAR**")
The IAR's are prepared in accordance with IFRS, the BSE Listings Requirements, the Botswana Companies Act, and the International Integrated Reporting Framework. Choppies complies in all material respects with the principles contained in the BSE Code of Best Practice on Corporate Governance as well as King IV, as encapsulated in the applicable regulations.

The IAR provides an overview of our business, growth strategy, and our potential to create sustainable value for our stakeholders in the short, medium, and long term. The IAR focuses on the issues that the Board of Directors believe are important to our stakeholders' understanding of the Company. The disclosures encompass Choppies' retail network across all regions of continuing operations.

- Interim financial statements
The reviewed condensed consolidated interim financial statements for the six months ended 31 December 2022 have been prepared and presented in accordance with the requirements of the BSE Limited ("**BSE Listing 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 International Financial Reporting Standards ("**IFRS**") and contain the information required by IAS 34 *Interim Financial Reporting*.

The latest Interim results for the six months ended 31 December 2022 are available on the website. In terms of BSE Listings Requirements, for the purposes of a Rights Offer, the Interims need to be Reviewed by the Company's Auditors. The Review report of the Auditors is on **Annexure 7** on page 35 of this Circular.

REPORTING ACCOUNTANT'S REPORT ON THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

31 December 2022

To the Shareholders of Choppies Enterprises Limited

We have reviewed the condensed consolidated interim financial statements of Choppies Enterprises Limited, contained in the accompanying interim report, which comprises the condensed consolidated statement of financial position as at 31 December 2022 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The Directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard ("IAS") 34 *Interim Financial Reporting*, and for such internal control as the Directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, *Review of Interim Financial Information Procedures* by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. During the review engagement, we performed analytical procedures, performed recalculations of selected account balances, and made inquiries of management and others within the organisation, as appropriate.

The procedures performed in a review are substantially less and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

1. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Management prepared these condensed consolidated interim financial statements on the basis that the Choppies Group is a going concern. Management included their assessment, and the associated uncertainties they have identified, in the Commentary Note 4 on Going concern. We draw attention to the fact that as at 31 December 2022, the Group had accumulated losses of P726 million, and as at that date, the Choppies Group's total liabilities exceeded its total assets by P257 million, and the total current liabilities exceed its total current assets by P429 million. As stated above, these events or conditions, and other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Choppies Enterprises Limited for the six months period ended 31 December 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard (“**IAS**”) 34 *Interim Financial Reporting*.

A handwritten signature in black ink that reads "Mazars". The signature is written in a cursive style and is underlined.

Mazars

Certified Auditors

Practising member: Shashikumar Velambath

Membership number: CAP 022 2023

Date: 1 June 2023

PRO FORMA ABRIDGED FINANCIAL INFORMATION OF THE COMPANY BASED ON THE RIGHTS OFFER

The tables below set out the *pro forma* abridged financial information of Choppies Enterprises Limited and its subsidiaries based on the published audited Choppies Enterprises Limited annual Group financial results for the year ended 30 June 2022. The *pro forma* abridged financial information of Choppies Enterprises Limited and its subsidiaries (referred to as the “**Choppies Group**”) has been prepared for illustrative purposes only and because of its nature may not fairly present the Choppies Group’s financial position, changes in equity, results of operations and cash flows.

The *pro forma* abridged financial information has been prepared to illustrate the impact of the rights offer on the published audited annual financial information of the Choppies Group for the year ended 30 June 2022 using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the published financial statements. For the purposes of the *pro forma* abridged financial information, it has been assumed that the shareholders loans conversion took place with effect from 1 July 2021 for the Statement of Comprehensive Income and as at 30 June 2022 for the Statement of Financial Position. We also included the profits to December 2022 in the statement of changes in equity to illustrate the positive equity that will be achieved in the financial year 2023.

The Directors of the Choppies Enterprise Limited are responsible for the compilation, contents and preparation of the *pro forma* financial information contained in this Circular and for the financial information from which it has been prepared.

The independent reporting accountants’ report on the *pro forma* abridged financial information is set out below after the *pro forma* abridged financial information.

Pro Forma Abridged Statement of Financial Position

| Figures in Pula million | Group | | | Company | | |
|--|-------------------------------|---|--|-------------------------------|---|--|
| | Audited 30 June 2022 Pm | <i>Pro forma</i> adjustments 30 June 2022 Pm | <i>Pro forma</i> 30 June 2022 Pm | Audited 30 June 2022 Pm | <i>Pro forma</i> adjustments 30 June 2022 Pm | <i>Pro forma</i> 30 June 2022 Pm |
| Assets | | | | | | |
| Non-current assets | 1 195 | – | 1 195 | 74 | – | 74 |
| Current assets | 691 | – | 691 | 164 | 295 | 459 |
| Total assets | 1 886 | – | 1 886 | 238 | 295 | 533 |
| Equity and liabilities equity | (341) | 295 | (46) | 238 | 295 | 533 |
| Non-current liabilities | 1 133 | (228) | 905 | – | – | – |
| Current liabilities | 1 094 | (67) | 1 027 | – | – | – |
| Total liabilities | 2 227 | (295) | 1 932 | – | – | – |
| Total equity and liabilities | 1 886 | – | 1 886 | 238 | 295 | 533 |
| EBITDA | 520 | – | 520 | | | |
| Gross debt excluding lease liabilities | 716 | (228) | 488 | | | |
| Gross debt to EBITDA ratio | 1.4 | | 0.9 | | | |

Notes to the *pro forma* abridged statement of financial position:

- The “June 2022 (audited)” financial information has been extracted, without adjustment, from Choppies Enterprises Limited’s published audited results for the year ended 30 June 2022.
- The *pro forma* abridged statement of financial position figures illustrate the possible financial effects as if the rights offer and loan conversion had taken place on 1 July 2021.
- The stated capital will increase by P295 million because of the rights offer of 520 833 333 shares amounting to P300 million less rights offer costs of P5 million.
- Non-current and current liabilities will be impacted as follows:

| | Utilisation | Non-current liabilities | Current liabilities |
|---|-------------|-------------------------|---------------------|
| Ram Ottapathu interest-bearing P Shareholder loan | 95 | 95 | |
| Ram Ottapathu interest-free P Shareholder loan | 16 | | 19 |
| Farouk Ismail interest-bearing P Shareholder loan | 24 | 24 | |
| Shanta Holding interest-free US Dollar denominated Shareholder loan | 34 | 34 | |
| Bank long-term interest-bearing P loan | 75 | 75 | |
| Bank short-term interest-bearing P loan | 51 | | 51 |
| Rights Offer costs P | 5 | | |
| Total proceeds P | 300 | 228 | 67 |

- Gross debt includes the subordinated Shareholders loans which will be repaid.

Pro Forma Abridged Statement of Profit or Loss and other Comprehensive Income

| | Group | | | Company – no impact of rights issue | | |
|--|---|---|---|---|---|---|
| | Audited 12 months 30 June 2022 Pm | Pro forma adjustment 12 months 30 June 2022 Pm | Pro forma 12 months 30 June 2022 Pm | Audited 12 months 30 June 2022 Pm | Pro forma adjustment 12 months 30 June 2022 Pm | Pro forma 12 months 30 June 2022 Pm |
| Figures in Pula million | | | | | | |
| Continuing Operations | | | | | | |
| Revenue | 6 097 | – | 6 097 | – | – | – |
| Retail sales | 6 042 | – | 6 042 | – | – | – |
| Cost of sales | (4 735) | – | (4 735) | – | – | – |
| Gross profit | 1 307 | – | 1 307 | – | – | – |
| Other operating income | 55 | – | 55 | – | – | – |
| Expenditure | (1 083) | – | (1 083) | (30) | – | (30) |
| Operating profit before interest | 279 | – | 279 | (30) | – | (30) |
| Finance costs | (99) | 18 | (81) | – | – | – |
| Profit before taxation | 180 | 18 | 198 | (30) | – | (30) |
| Taxation | (35) | (4) | (39) | – | – | – |
| Profit from continuing operations | 145 | 14 | 159 | (30) | – | (30) |
| Other comprehensive (loss) income | | | | | | |
| Items that may be reclassified to profit or loss | (38) | – | (38) | – | – | – |
| Total comprehensive profit/(loss) for the year | 107 | 14 | 112 | (30) | – | (30) |
| Profit/(loss) for the period attributable to: | | | | | | |
| Owners of the parent | 140 | 5 | 145 | (30) | – | (30) |
| Non-controlling interest | 5 | – | 5 | – | – | – |
| | 145 | 5 | 150 | (30) | – | (30) |
| Total comprehensive (loss) for the year attributable to | | | | | | |
| Owners of the Company | | | | | | |
| From continuing operations | 140 | 5 | 145 | (30) | – | (30) |
| From discontinued operations | – | – | – | – | – | – |
| | 140 | 5 | 145 | (30) | – | (30) |
| Non-controlling interests | | | | | | |
| From continuing operations | 5 | – | 5 | – | – | – |
| From discontinued operations | – | – | – | – | – | – |
| | 5 | – | 5 | – | – | – |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the parent | 103 | – | 103 | (30) | – | (30) |
| Non-controlling interest | 4 | – | 4 | – | – | – |
| | 107 | – | 107 | (30) | – | (30) |
| Basic and diluted earnings/(loss) per share – Thebe | | | | | | |
| Continuing operations | 10.7 | (2.3) | 8.4 | | | |
| Discontinuing operations | – | – | – | | | |
| | 10.7 | (2.3) | 8.4 | | | |

Notes to the pro forma abridged statement of profit and loss and other comprehensive income:

- The "30 June 2022 (audited)" financial information has been extracted, without adjustment, from Choppies Enterprises Limited's published audited final results for the year ended 30 June 2022.
- The finance costs on the shareholder loans and bank debt reduces due to the repayments assumed to be at the start of the year and thus no interest expense incurred of P18 million for the Group. Profits increased because of this loan conversion assumed to be at the start of the year.
- The Earnings Per Share ratio for the Group reduces by P0.02 being affected by the number of shares after the issue which went up to 1 824 461 674 shares and the reduction in finance costs.
- The *pro forma* adjustments comprise adjustments based on the following principle assumptions:
 - Choppies Enterprises Limited will incur share issue costs of P5 million as detailed on paragraph 4 of this circular.
 - Shares will be fully taken up by subscribers and underwriters.
 - No part payment will occur on the part of subscribers. Full payment will be received for the shares issued.
 - The share priced used P0.576 was arrived based on a discount of 10% to the Volume-weighted Average Price for the last 30 days.

Pro Forma Abridged Statement of Changes in Equity – Group

| Figures in Pula millions | Stated Capital P'000 | Treasury Shares P'000 | Foreign Currency translation reserve P'000 | Hyper inflationary reserve P'000 | Retained Earnings (loss) P'000 | Attributable to equity holders P'000 | Non- Controlling Interest P'000 | Total P'000 |
|--|----------------------------|-----------------------------|--|---|---|---|--|----------------|
| Balance as at 30 June 2022 (Audited) | 906 | (30) | (586) | 269 | (798) | (240) | (102) | (341) |
| Proceeds of rights issue | 300 | | | | | 300 | | 300 |
| Rights issue expenses | | | | | (5) | (5) | | (5) |
| Balance 30 June 2022 – <i>pro forma</i> | 1 206 | (30) | (586) | 269 | (803) | 55 | (102) | (46) |
| Total comprehensive profit for the six months ended December 2022 – Reviewed | | | (38) | 50 | 71 | 83 | – | 83 |
| Balance 30 June 2022 – <i>pro forma</i> | 1 206 | (30) | (624) | 319 | (732) | 138 | (102) | 37 |

Pro forma Abridged statement of changes in Equity – Company

| Figures in Pula millions | Stated Capital P'000 | Treasury Shares P'000 | Foreign Currency translation reserve P'000 | Hyper inflationary reserve P'000 | Retained Earnings (loss) P'000 | Attributable to equity holders P'000 | Non- Controlling Interest P'000 | Total P'000 |
|--|----------------------------|-----------------------------|--|---|---|---|--|----------------|
| Balance as at 30 June 2022 (Audited) | 906 | – | – | – | (668) | 238 | – | 238 |
| Proceeds of rights issue | 300 | | | | – | 300 | | 300 |
| Rights issue expenses | | | | | | | | |
| Balance 30 June 2022 – <i>pro forma</i> | 1 206 | – | – | – | (668) | 538 | – | 538 |

Notes to the *pro forma* abridged statement of changes in equity:

1. The *pro forma* abridged financial information has been prepared on the assumption that all the offer shares, are the subject of the rights offer, the subject of the circular to be issued on 7 June 2023 are subscribed for and the rights offer is completed by allocation and issue of such shares to shareholders, or persons to whom shareholders have renounced their rights to acquire the offer shares.
2. The "30 June 2022 (audited)" financial information has been extracted, without adjustment, from Choppies Enterprises Limited's published audited final results for the year ended 30 June 2021.
3. The *Pro Forma* Statement of Changes in Equity figures illustrate the possible financial effects as if the rights offer and loan conversion had taken place on 1 July 2021.
4. The stated capital increased because of the rights offer of 520 833 333 shares amounting to P300 million following the fresh proceeds of cash and loan conversion into shares.

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

1 June 2023

To the Shareholders of Choppies Enterprises Limited

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF THE GROUP

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Choppies Enterprises Limited by the Directors.

The *pro forma* financial information, as set out in **Annexure 9** of the Circular, consists of a Consolidated and Separate Statement of Comprehensive Income and a Consolidated and Separate *Pro Forma* Statement of Financial Position and related assumptions. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the Botswana Stock Exchange Limited ("**BSEL**") Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in the Circular, on the Group's financial position as at 30 June 2022 for purposes of the Statement of Financial Position and 1 July 2022 for the Statement of Comprehensive Income. As part of this process, information about the Group and its subsidiaries' financial position and financial performance has been extracted by the Directors from the Group's financial statements for the period ended 30 June 2022, on which an unmodified auditor's report was issued on 20 September 2022.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the Botswana Stock Exchange ("**BSE**") Listings Requirements and described in **Annexure 9** of the Circular.

OUR INDEPENDENCE AND QUALITY CONTROL

We are independent of the Group and its subsidiaries in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) ("**IESBA**" Code) and other independence requirements applicable to performance audits and review engagements of consolidated and separate annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA and in accordance with other ethical requirements applicable to performing audits and review engagements in Botswana.

Mazars applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria specified in the Botswana Stock Exchange ("**BSE**") Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("**ISAE**") 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with the ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in the compiling of the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event has occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2022 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria, involves performing procedure to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of opinion.

OPINION

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the Botswana Stock Exchange (“**BSE**”) Listings Requirements and described in **Annexure 9**.

RESTRICTION OF USE

This report has been prepared for the purpose of satisfying the requirements of the BSE Listings Requirements, and for no other purpose.



Mazars

Certified Auditors

Practising member: Shashikumar Velambath

Membership number: CAP 022 2023

Date: 1 June 2023

SUMMARY OF THE KEY PROVISIONS OF THE CONSTITUTION OF THE COMPANY

The Constitution provides, *inter alia*, as follows:

1. any power enabling the Directors to vote on remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the Directors:
 - 1.1 clause 24.1: the Board may, exercise the power conferred by the Act to authorise remuneration and other benefits to and for Directors;
 - 1.2 clause 24.3: the Board, subject to listing requirements, may authorise special remuneration to any Directors who is or has engaged by the Company or a Subsidiary to carry out any work or perform any services which is not in the capacity of a director;
 - 1.3 clause 24.4: the Company may make a payment to a Directors or former Directors, or his/her dependents, by way of a lump sum or pension, upon or in connection with retirement from office of that Directors if (i) the total payment does not exceed ten percent of the total remuneration, and (ii) payment is authorised by ordinary resolution of shareholders of the Company;
2. borrowing powers exercisable by the Directors and how such borrowing powers can be varied:
 - 2.1 clause 25.1: the Directors may raise or borrow for the purposes of the Group's business, such sum or sums of money as the Directors deem appropriate for the business of the Group provided that the profit of the Group (the Company and its subsidiaries combined) shall be sufficient to cover the interest payable on such borrowings (whether made by the Company or any of its subsidiaries) at least 20 times, at all times or such other ratio of cover as the Shareholders may, by Ordinary Resolution, in General Meeting determine. The Directors may secure the repayment of or raise any such sum or sums as foresaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, or by the issue, at such price as they may think fit, of Securities either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient;
 - 2.2 clause 25.2: Foreign currency borrowings must be guided by their local counsel, in accordance with the provisions in the Constitution;
 - 2.3 clause 25.3: The Directors may cause a proper register to be kept in accordance with the provisions of the Act;
3. The Company's dividend policy:
 - 3.1 clause 27.1: The Board shall determine the dividend policy of the Company from time to time;
 - 3.2 clause 27.2: Any dividend, interest, or other money payable to a holder of Securities may be paid by cheque sent through the post to the registered address of the holder or in any other manner determined by the Board and directed by the person entitled to the payment;
 - 3.3 clause 27.3: The Board may, in its discretion, differentiate between holders of Securities as to the currency in which dividends interest are to be paid. In exercising the discretion, the Board may have regard to the registered address of such holder. In the case where a dividend or interest is to be paid in a currency other than Pula, the amount payable will be converted at an exchange rate determined by the Board;
 - 3.4 clause 27.4: The Board may deduct from dividends or interest payable to any holder of the Securities;
 - 3.5 clause 27.5: Dividends, interest and other distributions or payments will be payable as at a date subsequent to the date of the declaration or date of the confirmation of the dividend and/or interest or distribution or payment, whichever is the later;
 - 3.6 clause 27.6: Dividends unclaimed for three years after due date for payment, may become the property of the Company and used for the benefit of the Company;

4. retirement or non-retirement of Directors under an age limit:
 - 4.1 clause 20.8(a): If a Director retires at a meeting at which he/she is required to retire and is not re-elected, the director shall remain in office until, and his/her retirement shall take effect at, the conclusion of the meeting;
 - 4.2 clause 20.8(b): If a Director is removed from office by Ordinary Resolution, the director shall remain in office until, and his/her removal shall take effect at, the conclusion of the meeting at which the Ordinary Resolution is passed;
 - 4.3 clause 20.8(c): If a person who is not already a Director is appointed or elected as a Director by an Ordinary Resolution, that person shall take office as a Director immediately after passing of that Resolution;
5. Directors' qualification shares:
 - 5.1 clause 20.6: In respect of the appointment and removal of Directors there is no qualification in respect of the holding of Securities issued by the Company, for Directors.

LIST OF DIRECTORSHIPS

Directorships for Uttum Corea

Plot 4844 (Pty) Ltd
 Abacus House (Pty) Ltd
 Rekere Investments (Pty) Ltd
 Botswana Insurance Holdings Limited

Aeroc Holdings (Pty) Ltd
 Lambourne Investments (Pty) Ltd
 Colmore Investments (Pty) Ltd

Directorships for Carol Jean Harward

Anandi Capital
 Medlane Holdings
 Anandi Asset Management

Hutech International
 Anandi Property

Directorships for Ranjith Priyalal De Silva

Botswana Telecommunications Corporation Limited
 Pula Medical Aid Fund (Independent Trustee)
 Old Mutual Life Insurance Company (Botswana) Proprietary Limited
 Debt Participation Capital Funding Limited
 Kwik Logistics Proprietary Limited
 Barmenco Mining Services Botswana Proprietary Limited
 Selebi Phikwe Solar Proprietary Limited
 Super Card Botswana Proprietary Limited
 IFS Botswana Proprietary Limited
 Air Work Proprietary Limited
 Raclor Ross Logistics Proprietary Limited
 LHW Botswana Proprietary Limited
 Anthill Tiger Proprietary Limited
 Dia Holdings Proprietary Limited
 Abacus House Botswana Proprietary Limited
 Colmore Investments Proprietary Limited
 Rekere Investments (Botswana) Proprietary Limited
 DPS Consulting Services Proprietary Limited

The Far Property Company Limited
 Old Mutual Financial Services Botswana Proprietary Limited
 Old Mutual Short-Term Insurance (Botswana) Limited
 Speedspace (Botswana) Proprietary Limited
 Fujax Mining Botswana Proprietary Limited
 Pioneer Clan Holdings Botswana Proprietary Limited
 Scatec Operations Botswana Proprietary Limited
 Bera Masamba Consulting Proprietary Limited
 Genesis Hb Botswana Proprietary Limited
 Sage Software Botswana Proprietary Limited
 Atelo Proprietary Limited
 FFI Botswana Proprietary Limited
 Silverham Proprietary Limited
 Enterprice Outsourcing Proprietary Limited
 EMR Investments Proprietary Limited
 Lambourne Investments Proprietary Limited
 DPB Investments Proprietary Limited

Directorships for Farouk Ismail

Trade Expansion Proprietary Limited
 Fasaay Investments Proprietary Limited
 Browallia Proprietary Limited
 Riverwest Investments Proprietary Limited
 Emeraldson Proprietary Limited
 Cottonvale Proprietary Limited
 Ballistic Bus Proprietary Limited
 Timestar Investments Proprietary Limited
 Curlew Proprietary Limited (BW00001257461)
 Choppies Butchery Proprietary Limited
 Eminent Proprietary Limited
 Pula Marketing Company Proprietary Limited
 Douglas-Fir Proprietary Limited
 Choppies International Proprietary Limited
 Langney Road Investments Limited – Properties in UK
 Westshore Ventures Limited – Properties in UK
 Chopfam International – RSA
 Electro-Metic Enterprises (Pty) Ltd
 Iqube SA (Pty) Ltd
 Solace (Pty) Ltd
 Vetagric Supplies (Pty) Ltd

Raneems Proprietary Limited
 Calculated Returns Proprietary Limited
 Capman Proprietary Limited
 Princieton Proprietary Limited
 Engineering Profile Proprietary Limited
 Spark Capital Proprietary Limited
 Skyways Travel Agency Proprietary Limited
 Project Link Proprietary Limited
 Choppies Financial Services Proprietary Limited
 Midheaven Proprietary Limited
 Roseapple Proprietary Limited
 Mamzie Proprietary Limited
 Jayrob Investments Proprietary Limited
 Genocom Trading Proprietary Limited
 Greenstone Ventures Limited – Properties in UK
 Parrystreet Investments Ltd – Properties in UK
 The Far Property Group (Pty) Ltd
 Feasible Investments (Pty) Ltd
 Princeton (Pty) Ltd
 Strides of Success (Pty) Ltd
 Weal (Pty) Ltd

Directorships for Ramachandran Ottapathu

Accordion Ventures (Pty) Ltd
Aleris (Pty) Ltd
Anuksha (Pty) Ltd
Ausi Holdings (Pty) Ltd
Bagpiper (Pty) Ltd
Banc ABC
Botswana Telecommunications Corporation – BTCL
Bull Shot (Pty) Ltd
Calculated Returns (Pty) Ltd
Choppies Distribution Centre (Pty) Ltd
Choppies Financial Services (Pty) Ltd
Covering Concepts
Distron Botswana (Pty) Ltd
Distron Zambia
Electro Metec Enterprises (Pty) Ltd
Eminent (Pty) Ltd
Feasible Investments (Pty) Ltd
Findor Properties (Pty) Ltd
Green Tinge (Pty) Ltd
Highfield Holdings (Pty) Ltd
I & M Platinum (Pty) Ltd
Iorn Core (Pty) Ltd
JB G Holdings (formerly known as JB Sports Holdings (Pty) Ltd)
Jexman Holdings (Pty) Ltd
Kelsey Investments (Pty) Ltd
Mackinnon Holdings (Pty) Ltd
Marvelous Hope (Pty) Ltd
Mega Growth (Pty) Ltd
Mintscope (Pty) Ltd
Monyglob
North Gate Lodge (Pty) Ltd
Pearl-grey (Pty) Ltd
Pinestone (Pty) Ltd
Presprime Investments (Pty) Ltd
Princieton (Pty) Ltd
Prosperous People (Pty) Ltd
Reality Group
Royal Empress (Pty) Ltd
Selibe Phikwe Citrus (Pty) Ltd
Solace (Pty) Ltd
Spark Capital (Pty) Ltd
The Far Property Company Limited
Timestar Investments (Pty) Ltd
Tswana Industries (Pty) Ltd
Vet Agric Suppliers (Pty) Ltd
Weal (Pty) Ltd
White Coral (Pty) Ltd
Yogakshemam Chits & Funds (Pty) Ltd – India
Enaex Botswana Proprietary Limited
Holding Quest
Afriroc Mining and Infrastructure Machinery
Unstung
Waterman Tiles Southern Africa
Meltrax Botswana
Bluehearts
ABC Creations
Kateo Minerals

Directorships for Valentine Chitalu















African Energy Resources/Alma Metals (Australia)
Minbos Resources
Super Group (South Africa)
Mabiza Resources
ARC Minerals

Ajantha (Pty) Ltd
Amphora SA (Pty) Ltd
Arcee (Pty) Ltd
Ava Green (Pty) Ltd
Ballistic Bus (Pty) Ltd
Binary Agencies (Pty) Ltd
Bulbul (Pty) Ltd
Burgundy Holdings (Pty) Ltd
Choppies Butchery (Pty) Ltd
Choppies Enterprises Limited
Choppies International (Pty) Ltd
Curlew (Pty) Ltd
Distron SA
Douglas-Fir (Pty) Ltd
Engineering Profile (Pty) Ltd
Feasible Services (Pty) Ltd
Ghanzi Highway Filling Station (Pty) Ltd
Hemanth (Pty) Ltd
Holario Investments (Pty) Ltd
Industrial Filling Station (Pty) Ltd
J B Sports (Pty) Ltd
JB Trading (Pty) Ltd
Kamoso Africa (Pty) Ltd
Lubsoga (Pty) Ltd
Mangalam Trading (Pty) Ltd
Medupe Bridgefin (Pty) Ltd
Mid – Off Holdings (Pty) Ltd
Mmadinare Gold
Nadal Enterprises (Pty) Ltd
Ovais Investments (Pty) Ltd
Pennywise (Pty) Ltd
Precious Possession (Pty) Ltd
Prime Move (Pty) Ltd
Project Link (Pty) Ltd
Qtique 79 (Proprietary) Limited
Reddy's Group (Pty) Ltd
Sariox (Pty) Ltd
Shree Trading (Pty) Ltd
Solace SA
Strides of Success (Pty) Ltd
Tim Tam (Pty) Ltd
Tow Bar Manufacturers (Pty) Ltd
Vatello (Pty) Ltd
Vet Agric Suppliers SA
Wedbush (Pty) Ltd
Wild Swine (Pty) Ltd
ZCX Investments (Pty) Ltd
Blydevallei Botswana Proprietary Limited
Tigmon Willow
Royal Stag
Spark Mining And Mineral Services Southern Africa
Oceano Group Botswana
Sunset Park
AMR Africa
Botshealth Proprietary Limited (BW00003144692)



MTN (Zambia) Ltd
Growthpoint Investec Properties
AgDevCo (UK)
African Parks Network

TRADEMARKS AND INTELLECTUAL PROPERTY

Choppies Enterprises Limited – Trademark Registrations

| No. | Trademark Registration Number | Details | Classes of Registration | Proprietor | Date of Registration | Status of registration | Agent | Date to take note |
|-----|-------------------------------|---|--|------------------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| 1 | BW/M/2017/000726 | AQUA | 25 | Choppies Enterprises Limited | 07-Feb-19 | Registered | Desai Law Group | Renewal due on 28 August 2027 |
| 2 | BW/M/2017/000845 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 3 | BW/M/2017/000849 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 4 | BW/M/2017/000848 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 5 | BW/M/2017/000846 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 6 | BW/M/2017/000850 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 7 | BW/M/2017/000847 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 8 | BW/M/2017/000851 |  | 25 | Choppies Enterprises Limited | 14-Mar-18 | Registered | Desai Law Group | Renewal due on 10 October 2027 |
| 9 | BW/M/2017/000701 | JOE & CO | 25 | Choppies Enterprises Limited | 07-Feb-19 | Registered | Desai Law Group | Renewal due on 18 August 2027 |
| 10 | BW/M/2018/000250 | CHOPPIES BULK AND SAVE | 3, 8, 11, 16, 21, 25, 28, 29, 30, 31, 32, 34 | Choppies Enterprises Limited | 20-Feb-19 | Registered | Desai Law Group | Renewal due on 12 April 2028 |
| 11 | BW/M/2018/000249 | CHOPPIES MEGA SAVE | 3, 8, 11, 16, 21, 25, 28, 29, 30, 31, 32, 34 | Choppies Enterprises Limited | 20-Feb-19 | Registered | Desai Law Group | Renewal due on 12 April 2028 |
| 12 | BW/M/2017/000700 | JOE & COMPANY | 25 | Choppies Enterprises Limited | 20-Feb-19 | Registered | Desai Law Group | Renewal due on 18 August 2027 |
| 13 | BW/M/2017/000675 | MAX | 25 | Choppies Enterprises Limited | 25-Feb-19 | Registered | Desai Law Group | Renewal due on 18 August 2027 |
| 14 | BW/M/2017/000676 | SNAP | 25 | Choppies Enterprises Limited | 25-Feb-19 | Registered | Desai Law Group | Renewal due on 18 August 2027 |
| 15 | BW/M/2018/000764 |  | 29 | Choppies Enterprises Limited | 18-Jun-19 | Registered | | Renewal due on 30 August 2028 |
| 16 | BW/M/2018/000981 |  | 29, 30, 32, 33, 35, 43 | Choppies Enterprises Limited | 08-Aug-19 | Registered | Desai Law Group | Renewal due on 9 November 2028 |
| 17 | BW/M/2019/000291 |  | 30 | Choppies Enterprises Limited | 08-Oct-19 | Registered | Desai Law Group | Renewal due on 18 April 2029 |
| 18 | BW/M/2021/000249 |  | 9, 35, 36 | Choppies Enterprises Limited | 24-Aug-21 | Registered | Akheel Jinabhai and Associates | Renewal due on 29 March 2031 |
| 19 | BW/M/2021/00648 |  | 30 | Choppies Enterprises Limited | 03-Dec-21 | Registered | Akheel Jinabhai and Associates | Renewal due on 3 December 2031 |
| 20 | BW/M/2013/000582 |  | 32, 33, 35, 43 | Choppies Enterprises Limited | | Refused on Examination | Akheel Jinabhai and Associates | |
| 21 | BW/M/2004/000511 |  | 1, 2, 3, 5, 8, 11 | Choppies Enterprises Limited | | Awaiting Opposition | Richard Lyons | |

Choppies Enterprises Limited – Trademark Registrations

| No. | Trademark Registration Number | Details | Classes of Registration | Proprietor | Date of Registration | Status of registration | Agent | Date to take note |
|-----|-------------------------------|---|-------------------------|----------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| 1 | BW/M/2016/001041 |  | 25, 29, 30, 31, 32, 35 | Choppies Enterprises | 24-Jan-18 | Registered | Akheel Jinabhai and Associates | Renewal due on 1 December 2026 |
| 2 | BW/M/2016/001038 |  | 25, 29, 30, 31, 32, 35 | Choppies Enterprises | 25-Jan-18 | Registered | Akheel Jinabhai and Associates | Renewal due on 1 December 2026 |
| 3 | BW/M/2016/001040 | CHILL | 32 | Choppies Enterprises | 14-Mar-18 | Registered | Akheel Jinabhai and Associates | Renewal due on 1 December 2026 |
| 4 | BW/M/2010/000846 | CHOPPIES | 35 | Choppies Enterprises | | Publication Process | | |

Choppies Distribution Center (Pty) Ltd

| No. | Trademark Registration Number | Details | Classes of Registration | Proprietor | Date of Registration | Status of registration | Agent | Date to take note |
|-----|-------------------------------|---|------------------------------------|--|----------------------|------------------------|-----------------------|-------------------|
| 1 | BW/M/2005/000221 |  | 18, 21, 22, 24, 26, 28, 29, 30, 34 | Choppies Distribution Center (Pty) Ltd | | Abandoned | Kebonang Gaoboi & Co. | |

