CHOPPIES

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FY26

SUMMARISED AUDITED GROUP

FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2026

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CORPORATE INFORMATION

(Registration number: BW00001142508)

BSE

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

JSE

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

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

For and on behalf of the Board

D. K. U. Corea
Chairman

R. Ottapathu
Chief Executive Officer

16 September 2026

REGISTERED OFFICE

Plot 28892, Twin Towers
Fairground, Gaborone
Botswana

SPONSORS

BSE: Motswedi Securities (Pty) Limited
JSE: PSG Capital

COMPANY SECRETARY

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

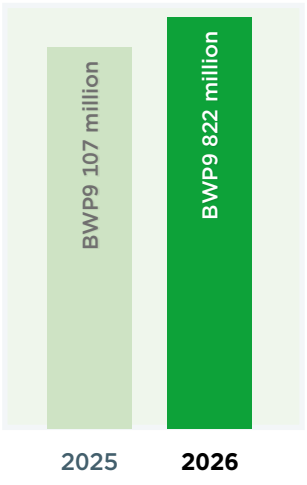
AUDITORS

Forvis Mazars
Plot 139, Finance Park
Gaborone, Botswana

Salient features

GROUP RETAIL SALES

7.9% ↑



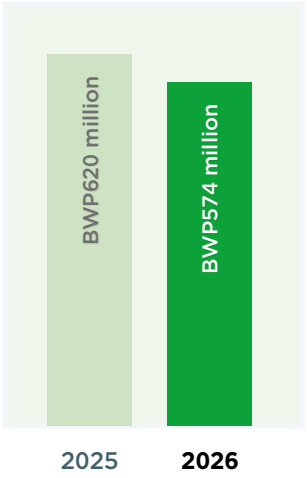
GROSS PROFIT

6.5% ↑



EBITDA

(7.4%) ↓



ADJUSTED EBITDA

(13.2%) ↓



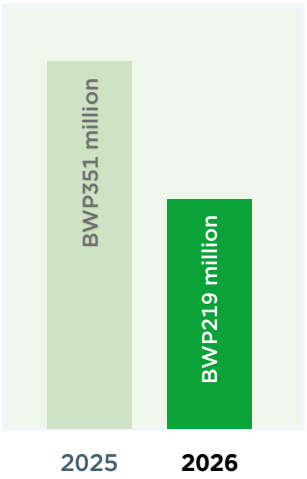
EARNINGS BEFORE INTEREST AND TAX

(23.6%) ↓



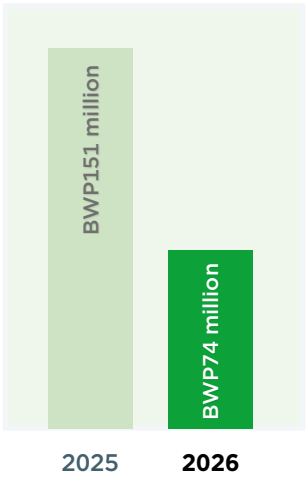
ADJUSTED EARNINGS BEFORE INTEREST AND TAX

(37.6%) ↓



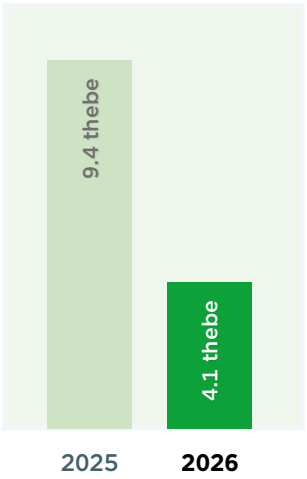
PROFIT AFTER TAX FROM CONTINUING OPERATIONS

(51.0%) ↓



HEADLINE EARNINGS PER SHARE – THEBE

(56.4%) ↓



Other highlights

Choppies Group continues to progress on its strategy and vision.

All Choppies segments – **Botswana, Namibia and Zambia –** achieved profitable EBITDA

REVENUE momentum remains strong despite profitability temporarily impacted by macroeconomics



The demand contraction is cyclical, but food retail fundamentals remain intact

Consortium debt of **BWP82 MILLION** was fully repaid



Store footprint increased by **27 STORES**





ERP SYSTEM Commenced with the implementation of a new enterprise resource planning ("ERP") system for completion by mid-FY2028



BUILDING SCALE now to capture operating leverage

Statistics

	June 2026	June 2025	Change
Number of stores	**314**	287	27
Supermarkets	**187**	174	13
Choppies Botswana	**118**	111	7
Choppies Namibia	**24**	23	1
Choppies Zambia	**45**	40	5
Liquor and hardware	**127**	113	14
Liquorama Botswana	**95**	85	10
Builders Mart Botswana	**30**	27	3
Builders Mart Namibia	**2**	1	1
Number of employees	**11 412**	11 393	19
Supermarkets	**10 269**	10 192	77
Liquor and hardware	**906**	945	(39)
Milling and manufacturing	**237**	256	(19)

Consolidated statements of profit or loss and other comprehensive income

for the year ended 30 June 2026

Figures in Pula millions	**Audited 12 months ended 30 June 2026**	Audited 12 months ended 30 June 2025
Continuing operations		
Revenue	**9 889**	9 173
Retail sales	**9 822**	9 107
Cost of sales	**(7 806)**	(7 214)
Gross profit	**2 016**	1 893
Other operating income	**67**	66
Expenditure	**(1 840)**	(1 641)
Profit on disposal of plant and equipment	**1**	2
Net impairment losses	**–**	(7)
Loss on sale of business	**–**	(14)
Gain on derecognition of payables (note 5)	**21**	–
Administrative expenses	**(1 609)**	(1 400)
Selling and distribution expenses	**(57)**	(53)
Foreign exchange losses on lease liability	**4**	2
Expected credit loss movement	**(2)**	(4)
Other operating expenses	**(198)**	(167)
Operating profit before interest	**243**	318
Finance income	**1**	1
Finance costs	**(113)**	(101)
Profit before taxation	**131**	218
Taxation	**(57)**	(67)
Profit from continuing operations	**74**	151
Loss from discontinued operations	**–**	(56)
Total profit for the period	**74**	95
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	**39**	18
Hyperinflation reserve reclassified	**–**	(312)
Foreign currency translation reserve reclassified	**–**	337
	39	43
Total comprehensive profit for the year	**113**	138

Consolidated statements of profit or loss and other comprehensive income continued

for the year ended 30 June 2026

Figures in Pula millions	**Audited 12 months ended 30 June 2026**	Audited 12 months ended 30 June 2025
Profit/(loss) for the period attributable to:		
Owners of the parent	**75**	97
Non-controlling interest	**(1)**	(2)
	74	95
Profit/(loss) for the period attributable to:		
Owners of the Company		
From continuing operations	**75**	153
From discontinued operations	**–**	(56)
	75	97
Non-controlling interests		
From continuing operations	**(1)**	(2)
From discontinued operations	**–**	–
	(1)	(2)
Total comprehensive profit/(loss) attributable to:		
Owners of the parent	**118**	140
Non-controlling interest	**(5)**	(2)
	113	138
Basic earnings profit/(loss) per share – thebe		
Continuing operations	**4.1**	8.4
Discontinuing operations	**–**	(3.1)
	4.1	5.3
Diluted earnings profit/(loss) per share – thebe		
Continuing operations	**4.1**	8.3
Discontinuing operations	**–**	(3.0)
	4.1	5.3

Consolidated statements of financial position

as at 30 June 2026

Figures in Pula millions	**Audited 30 June 2026**	Audited 30 June 2025
Assets		
Non-current assets	**2 091**	1 847
Property, plant and equipment	**1 109**	908
Right-of-use assets	**719**	712
Goodwill	**111**	110
Intangible assets	**13**	9
Loans to related entities	**42**	41
Investments in new projects	**60**	40
Deferred tax	**37**	27
Current assets	**1 047**	1 088
Inventories	**635**	644
Amounts due from related entities	**17**	9
Advances and deposits	**78**	76
Trade and other receivables	**131**	177
Taxation refundable	**6**	12
Cash and cash equivalents	**180**	170
Total assets	**3 138**	2 935
Equity and liabilities		
Equity	**309**	224
Stated capital	**1 207**	1 207
Treasury shares	**(27)**	(28)
Foreign currency translation reserve	**(316)**	(359)
Retained loss	**(423)**	(469)
Non-controlling interests	**(132)**	(127)
Non-current liabilities	**920**	790
Long-term borrowings	**184**	112
Lease liabilities	**638**	611
Instalment sale liabilities	**16**	25
Deferred taxation liabilities	**82**	42
Current liabilities	**1 909**	1 921
Trade and other payables	**1 369**	1 360
Amounts due to related entities	**41**	28
Current portion of long-term borrowings	**66**	152
Current portion of lease liabilities	**219**	232
Current portion of instalment sale liabilities	**20**	34
Taxation payable	**12**	30
Bank overdraft	**182**	85
Total liabilities	**2 829**	2 711
Total equity and liabilities	**3 138**	2 935

Consolidated statements of changes in equity

for the year ended 30 June 2026

Figures in Pula millions	Stated capital	Treasury shares	Foreign currency translation reserve	Hyper-inflation reserve	Retained earnings/ (loss)	Attributable to equity holders	Non-controlling interest	Total
Balance as at 1 July 2024 (Audited)	1 207	(32)	(714)	312	(512)	261	(125)	136
Total comprehensive income/(loss) for the period	–	–	355	(312)	97	140	(2)	138
Profit/(loss) for the year	–	–	–	–	97	97	(2)	95
Other comprehensive income/(loss)	–	–	355	(312)	–	43	–	43
Share-based payments	–	4	–	–	1	5	–	5
Dividends paid	–	–	–	–	(55)	(55)	–	(55)
Balance as at 30 June 2025 (Audited)	**1 207**	**(28)**	**(359)**	**–**	**(469)**	**351**	**(127)**	**224**
Total comprehensive income/(loss) for the period	**–**	**–**	**43**	**–**	**75**	**118**	**(5)**	**113**
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**75**	**75**	**(1)**	**74**
Other comprehensive income/(loss)	**–**	**–**	**43**	**–**	**–**	**43**	**(4)**	**39**
Share-based payments	**–**	**2**	**–**	**–**	**–**	**2**	**–**	**2**
Share repurchase	**–**	**(1)**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Dividends paid	**–**	**–**	**–**	**–**	**(29)**	**(29)**	**–**	**(29)**
Balance as at 30 June 2026 (Audited)	**1 207**	**27**	**(316)**	**–**	**(423)**	**441**	**(132)**	**309**

Headline earnings per share computation

for the year ended 30 June 2026

Figures in Pula millions	**Audited 12 months ended 30 June 2026**	Audited 12 months ended 30 June 2025
Continuing operations		
Profit attributable to owner	**75**	153
Profit on disposal of asset	**(1)**	(2)
Impairment losses	**-**	7
Profit/(loss) on sale of business	**-**	14
Tax impact	**-**	(1)
Headline earnings attributable to owner	**74**	171
Number of shares for basic earnings	**1 824 461 674**	1 824 461 674
Weighted average number of shares	**1 824 461 674**	1 824 461 674
Diluted weighted average number of shares	**1 827 470 261**	1 852 580 135
Headline earnings per share – thebe	**4.1**	9.4
Diluted headline earnings per share – thebe	**4.1**	9.3

Consolidated statements of cash flows

for the year ended 30 June 2026

Figures in Pula millions	**Audited 12 months ended 30 June 2026**	Audited 12 months ended 30 June 2025 restated
Cash flows from operating activities		
Profit before taxation	**131**	218
Adjustments for:	**470**	414
Depreciation, write-off and amortisation	**331**	288
Profit on disposals of plant and equipment	**(1)**	(2)
Loss on disposals of Zimbabwe segment	**–**	14
Finance income	**(1)**	(1)
Finance costs	**113**	101
Foreign exchange gains on leases	**(4)**	(2)
Share-based payments	**2**	5
Unrealised foreign exchange losses	**7**	–
Expected credit loss movement	**2**	4
Net impairment losses	**–**	7
Gain on derecognition of payables	**21**	–
Changes in working capital:	**42**	147
Movement in inventories	**10**	21
Movement in trade and other receivables	**44**	(24)
Movement in advances and deposits	**(2)**	(5)
Movement in amount due from related entities	**(7)**	(6)
Movement in trade and other payables	**(16)**	155
Movement in amount due to related entities	**13**	6
Cash generated from operations	**643**	779
Interest income	**1**	1
Dividends paid	**(29)**	(55)
Taxation paid	**(37)**	(46)
Net cash generated from operating activities	**578**	679
Cash flows from investing activities	**(253)**	(329)
Purchase of property, plant and equipment	**(257)**	(281)
Proceeds on disposal of property, plant and equipment	**10**	3
Purchase of intangible assets	**(6)**	(4)
Discontinued operations	**–**	(34)
Acquisition of business	**–**	(13)
Cash flows from financing activities	**(384)**	(396)
Financing obtained from third parties	**152**	–
Financing obtained from instalments sale liabilities	**7**	36
Capital payments on borrowings	**(173)**	(92)
Lease payments	**(230)**	(206)
Instalment sale payments	**(34)**	(42)
Treasury shares purchased from the market	**(1)**	–
Interest paid on borrowings	**(105)**	(92)
Net movement in cash and cash equivalents	**(59)**	(46)
Cash and cash equivalents at beginning of the year	**85**	125
Effect of foreign currency translation on foreign currency balances	**(28)**	6
Cash and cash equivalents at end of the year	**(2)**	85

During 2026, it was identified that the expected credit losses and impairment losses were not presented separately as non-cash flow items. The prior year statement of cash flows was restated by reclassifying the expected credit losses (BWP4 million) and impairment losses (BWP7 million) as non-cash flows. The correction of these presentation errors better reflects the nature of the line items and in total had no impact on cash flows from operating activities, profit for the year or retained earnings.

Operating segmental information

for the year ended 30 June 2026

Figures in Pula millions	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter-segment or unallo-cated	Total Group
June 2026 (Audited)							
Statement of profit or loss and other comprehensive income							
Revenue	**5 714**	**1 075**	**2 088**	**862**	**516**	**(366)**	**9 889**
Retail sales	**5 618**	**1 073**	**2 087**	**854**	**516**	**(326)**	**9 822**
Gross profit	**1 230**	**183**	**352**	**112**	**117**	**22**	**2 016**
Operating profit/(loss) before interest (EBIT)	**232**	**(20)**	**11**	**(24)**	**28**	**16**	**243**
Add back							
Depreciation and amortisation	**189**	**32**	**44**	**41**	**25**	**–**	**331**
EBITDA	**421**	**12**	**55**	**17**	**53**	**16**	**574**
Adjustments to EBITDA	**–**	**–**	**(3)**	**–**	**–**	**(21)**	**(24)**
(Profit)/loss on disposal of plant and equipment	**(1)**	**–**	**1**	**(1)**	**–**	**–**	**(1)**
Movement in credit loss allowance	**1**	**–**	**–**	**1**	**–**	**–**	**2**
Foreign exchange gains on lease liability	**–**	**–**	**(4)**	**–**	**–**	**–**	**(4)**
Gain on derecognition of payables	**–**	**–**	**–**	**–**	**–**	**(21)**	**(21)**
Adjusted EBITDA	**421**	**12**	**52**	**17**	**53**	**(5)**	**550**
Operating profit/(loss) before interest (EBIT)	**232**	**(20)**	**11**	**(24)**	**28**	**16**	**243**
Adjustments to EBITDA as above	**–**	**–**	**(3)**	**–**	**–**	**(21)**	**(24)**
Adjusted EBIT	**232**	**(20)**	**8**	**(24)**	**28**	**(5)**	**219**
Statement of financial position							
Assets	**1 550**	**349**	**663**	**203**	**747**	**(374)**	**3 138**
Liabilities	**1 509**	**287**	**509**	**210**	**259**	**55**	**2 829**

Operating segmental information

for the year ended 30 June 2025

Figures in Pula millions	Botswana	Namibia	Zambia	Liquorama	Rest of Choppies	Inter-segment or unallo-cated	Total Group
June 2025 (Audited)							
Statement of profit or loss and other comprehensive Income							
Revenue	5 744	873	1 465	968	506	(383)	9 173
Retail sales	5 658	871	1 464	967	505	(358)	9 107
Gross profit	1 257	151	256	120	98	11	1 893
Operating profit/(loss) before interest (EBIT)	(29)	(9)	41	(18)	21	312	318
Add back							
Depreciation and amortisation	182	25	21	32	24	11	295
Impairment losses	7	–	–	–	–	–	7
Impairment losses – Zimbabwe loan	339	–	–	–	–	(339)	–
EBITDA	499	16	62	14	45	(16)	620
Adjustments to EBITDA	3	–	(3)	–	–	14	14
Profit on disposal of plant and equipment	(1)	–	(1)	–	–	–	(2)
Movement in credit loss allowance	4	–	–	–	–	–	4
Foreign exchange losses on lease liability	–	–	(2)	–	–	–	(2)
Loss on sale of business	–	–	–	–	–	14	14
Adjusted EBITDA	502	16	59	14	45	(2)	634
Operating profit/(loss) before interest (EBIT)	(29)	(9)	41	(18)	21	312	318
Adjustments to EBITDA as above	3	–	(3)	–	–	14	14
Impairment losses	346	–	–	1	–	(328)	19
Adjusted EBIT	320	(9)	38	(17)	21	(2)	351
Statement of financial position							
Assets	1 603	290	444	248	170	180	2 935
Liabilities	1 605	232	289	185	339	61	2 711

Commentary

1. Nature of business

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

Each week, approximately 2.3 million customers visit 314 stores across seven formats in three countries. With annual revenue of more than BWP9 billion, Choppies employs over 11 000 people and competes against retailers, wholesalers and the informal market in both rural and urban Africa.

2. Basis of preparation and accounting policies

The summarised consolidated financial results and financial position of the Group are extracted from the Audited Group Annual Financial Statements prepared in accordance with the requirements of the BSE Limited ("BSE Listings Requirements") and JSE Limited ("JSE Listings Requirements"), as well as the requirements of the Botswana Companies Act, as amended.

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

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

Any investment or similar decisions by stakeholders should be based on considering the complete Group Annual Financial Statements, which are available on the Group's website under Investor Relations and the BSE and JSE News Services.

Use of adjusted measures

Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") and adjusted earnings before interest and tax ("EBIT") in the operating segmental information are EBITDA or EBIT excluding foreign exchange rate differences on IFRS 16 lease liabilities profit or loss on sale of assets and income or expenditure of a capital nature.

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

3. Directors' responsibility for the consolidated financial statements

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

4. Going concern

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

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

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

Commentary continued

5. Group results

Statement of profit or loss and segmental report

Revenue has been disaggregated as follows:

	June 2026	June 2025
Revenue (BWPm)	**9 889**	9 173
Sales of merchandise and liquor	**9 837**	9 153
Milling and manufacturing	**311**	312
Commission received on financial services	**56**	45
Rental income	**6**	5
Transportation income	**3**	12
Miscellaneous income	**2**	4
Inter-segmental sales	**(326)**	(358)

The following impacted Group profitability during the year:

- Reduced consumer liquidity driven by the Botswana diamond market slump
- Devaluation of the Pula
- Constrained spending due to the Botswana government's austerity measures
- The oil price shock and increase in fuel prices and transportation costs
- Inflationary cost base
- New stores not yet reaching the maturity curve
- Implementation of living wage in Botswana
- Government-subsidised commodities in Namibia
- Deflation on key food lines in Zambia due to the Kwacha appreciating
- Promotional intensity in a constrained consumer market.

The Group's retail sales increased by 7.9% to BWP9 822 million (2025: BWP9 107 million), driven by 27 new stores and inflation. Choppies segments achieved no volume growth and price growth of 9.9%, while sales for like-for-like stores decreased by 1.2%.

The gross profit margin declined by 0.3% to 20.5% (2025: 20.8%), due to lower margins in all segments except Liquorama. The Liquorama gross profit margin improved from 12.4% to 13.1% compared to the prior year.

In Pula terms, gross profit increased by 6.5% to BWP2 016 million (2025: BWP1 893 million) despite the competitive and challenging economic environment.

Total expenses increased by 12.1% due to new stores and inflation. The loss of BWP14 million last year relates to the sale of the Zimbabwe segment and this year included a gain from the derecognition of payables resulting from the discontinued operations of Kenya, Tanzania and Mozambique, which were discontinued in the 2019 financial year. Excluding the derecognition and loss on sale of businesses, total expenses increased by 14.4%.

Operating profit (EBIT) decreased by 23.6% from BWP318 million to BWP243 million. Adjusted EBIT decreased by 37.6% from BWP351 million to BWP219 million. The EBIT decline is due to costs growing at a much faster rate than Pula gross profit.

Net finance costs increased 11.9% due to lower debt offset by higher interest on leases because of new stores.

The effective tax rate of 43.5% (2025: 30.7%) is higher than the standard rate primarily due to losses in Namibia for which we have not yet raised any deferred tax, and non-taxable gain on the derecognition of payables. Last year's rate was lower than the standard rate due to losses for which we did not raise any deferred tax and the loss on sale of Zimbabwe.

Statement of financial position and cash flows

The Group increased non-IFRS 16 debt by BWP61 million to fund new stores, logistics and IT capital expenditure. Working capital, while still an inflow of BWP44 million, was lower than last year's inflow of BWP151 million, due to lower purchases as the economy further weakened in the second half.

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

Working capital efficiencies improved as inventory days reduced from 33 to 30 days, while receivable days reduced from five to four days and payable days decreased slightly from 35 to 33 days.

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

6. Operational overview

Choppies Botswana

Botswana's traditionally stable, diamond-driven economy has struggled over the past year as a severe global diamond market slump drove economic contraction through 2024 to 2026, straining fiscal reserves and widening deficits and pushing an urgent pivot towards diversification – non-mineral GDP now accounts for roughly 76% of the economy as services and manufacturing gain ground.

In response, government austerity measures (extended through 2027) have restricted travel, overtime and new government purchase orders, slowing state spending but deepening pressure on suppliers already facing delayed payments and soft demand.

The knock-on effect on consumers has been significant: household spending collapsed from July 2025 as rising essential costs squeezed budgets, cutting grocery purchases and pushing competitors with excess stock into aggressive discounting that weighed on retail turnover. Compounding this, the unexpected July 2025 Pula devaluation drove inflation higher and added BWP64 million in costs that could not be passed on to customers.

Sales from Botswana decreased by 0.7%, with like-for-like sales declining 1.2% due to the weaker economy in Botswana. However, the business showed strong resilience in an increasingly challenging economic environment. Sales decreased marginally to BWP5 618 million (2025: BWP5 658 million), underpinned by volume decline of 5.5%, price inflation of 5.1% and the opening of seven new stores.

EBITDA and adjusted EBITDA decreased by 15.6% and 16.1%, respectively, as gross profit increased slower than costs. The gross profit rate declined by 0.3%. New stores and inflation drove costs. The new stores opened over the last 12 months will need time to reach full potential.

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

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

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

Choppies Namibia

Namibia's economy is a lower-middle-income mix of mining, fishing and agriculture, marked by high inequality and unemployment. Post-Covid recovery is slowing as weak diamond demand and drought weigh on growth, leaving the economy in a cautious, high-debt transition that hopes for a future lift from oil, gas and green hydrogen – though that boost remains uncertain.

Against this backdrop, Choppies Namibia grew sales 23.2% (14.9% like-for-like). From July to November 2025, government subsidies on maize, pilchards, soya, rice and oil – all major contributors to Choppies Namibia's sales – supported food security but squeezed overall sales value and pushed down margins and profitability.

Commentary continued

EBITDA declined 25.0%. EBIT in the prior year was a loss of BWP9 million, which increased to a loss this year of BWP20 million.

The segment requires additional stores to achieve scale and realise the brand's full potential in this country.

Choppies Zambia

Zambia's economic recovery remains fragile despite rebounds in mining and agriculture following severe droughts and debt restructuring. While copper revenues and tight monetary policies triggered a 20% Kwacha appreciation against the Pula, this currency shift caused wholesale and retail deflation, resulting in an estimated ZMW29 million (BWP18 million) loss for the segment. Consequently, high living costs and widespread unemployment continue to suppress household purchasing power and squeeze business margins.

All these factors led to lower margins or lower profitability.

Zambia experienced sales growth of 42.6% in Pula value, equating to an increase of 15.1% in Kwacha value, and like-for-like sales growth of 42.5% in Pula value and 15.9% in Kwacha value. Five new stores were opened during the year.

In Pula terms, adjusted EBITDA declined 11.9% and adjusted EBIT declined 78.9%.

Choppies Botswana – Liquorama segment

Sales decreased 11.7%, driven by the weak economy and offset by 10 new stores. Like-for-like sales declined by 12.0%. The gross profit rate increased from 12.4% in the prior year to 13.1% this year due to better control over promotions.

EBITDA increased to BWP17 million (BWP14 million) and EBIT declined to a loss of BWP24 million (2025: loss of BWP18 million) attributable to incremental depreciation on new stores.

Rest of Choppies segment

The Rest of Choppies segment includes the milling, manufacturing and hardware businesses. The milling and manufacturing businesses are profitable. The hardware segment losses increased from BWP19 million to BWP27 million. It will take another 12 months to turn around this business, including opening new stores and expanding into the other countries in which Choppies currently operates, as well as the Botswana economy turning around.

Overall, the Rest of Choppies segment increased adjusted EBIT from BWP21 million profit in the last year to a profit of BWP28 million this year.

7. Related-party transactions

Related-party purchases, including capital expenditure, amounted to BWP700 million (2025: BWP535 million), driven by new stores and strong sales in fresh chicken.

8. Events after the reporting date

The corporate tax rate in Botswana will increase from 22.0% to 24.5% with effect from the June 2027 financial year. The effect on deferred tax was adjusted during the June 2026 financial year for those deferred tax benefits or deductions expected to be obtained or incurred.

9. Outlook

We expect continued uncertainty in the Southern African economy from global credit conditions, tariffs, Pula devaluation, geopolitical conflict, slower growth, rising energy and commodity prices, supply-chain disruption, volatile markets, employment and consumer confidence. Botswana has responded with tax reforms (VAT, corporate and personal income tax increases) to manage its budget deficit, while pursuing economic diversification, infrastructure investment and renewable energy to reduce reliance on external shocks. The country retains a stable institutional framework and low corruption and current demand weakness is cyclical rather than structural – food retail fundamentals remain sound.

Africa's long-term growth drivers, including urbanisation, population growth, underpenetrated formal grocery markets, regional trade infrastructure and a shift to organised retail remain intact. Choppies is well-placed to benefit given its presence across urban and rural markets and across wholesale, retail and informal segments and we expect our core markets to stay resilient despite currency volatility, inflation and global uncertainty.

Our strategic priorities remain:

- Consolidating profitability in Botswana, Namibia and Zambia
- Completing the Builders Mart and Liquorama turnarounds
- Improving distribution and inventory efficiency
- Maintaining cost discipline
- Rolling out the new ERP
- Upholding financial discipline
- Advancing ESG initiatives.

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

10. Audit opinion

The Group's Annual Financial Statements have been audited by Forvis Mazars, who issued an unqualified opinion. The auditor's report does not necessarily report on all the information in these summarised financial statements. Shareholders are therefore advised that, to obtain a complete understanding of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office and on the Company website. Forvis Mazars' report is published on XNews and SENS simultaneously with this summarised release of results and is also available on the Group's website: **https://choppiesgroup.com/investor-relations/**.

This summarised financial information has not been reviewed by the Group's external auditor and has been extracted from the audited Annual Financial Statements.

11. Distribution to shareholders

An interim dividend number 11 of 1.0 thebe was paid on 29 April 2026.

The Board has resolved to retain earnings currently to preserve liquidity for core operations and support the Company's growth plans, considering current market conditions. The Board remains committed to shareholder returns and will resume dividend declarations as the Group delivers sustainable earnings growth and achieves financial stabilisation.



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