Sefalana
GROUP
Your basket of opportunities

A year of
challenges

2026 Sefalana Integrated Annual Report

BuyLocal
deltafresh®
A true Botswana brand

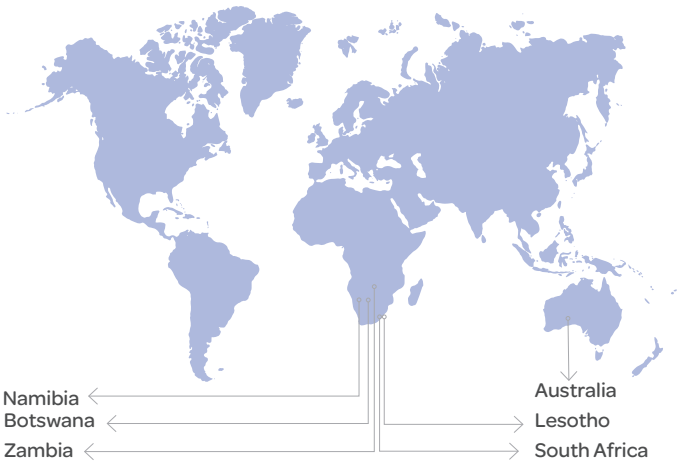
WELCOME TO OUR INTEGRATED ANNUAL REPORT 2026

OUR ACHIEVEMENTS

After decades of notable milestones, we celebrate 52 years of innovation and value creation.

OUR VALUES

The Sefalana values underpin the way in which we operate and go about our day to day activities. They are the core of our existence, embedded in all our people.



OUR INTEGRATED REPORT

Formal detailed presentations are made to Shareholders every six months to provide an update on how the business is performing and to give an insight into the Group's plans for growth.

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52 years of creating value

Our Integrated Report

The International Integrated Reporting Council (IIRC) was a worldwide group of regulators, investors, companies, standard setters, accountants and Non - Governmental Organisations (NGOs).

The coalition's mandate promoted communication about value creation - preservation and erosion as the next step in the evolution of corporate reporting. Over 75 countries have currently embraced this form of reporting to some extent.

Each year we enhance the level of reporting in our Integrated Annual Report through additional disclosure and with cognisance of the latest trends in worldwide Corporate Governance.

Integrated Reporting Framework

As of August 2022, the IFRS Foundation assumed responsibility for the Integrated Reporting Framework, originally developed by the International Integrated Reporting Council (IIRC).

The Foundation oversees its ongoing development through its standard-setting boards, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), which collaborate on how the framework can be further enhanced and integrated into their respective standard-setting activities.

Enhanced reporting

Value Creation

Value creation is demonstrated not only in terms of profitability but also through growth in share price.

Objectives of an Integrated Report

An Integrated Report should be a concise communication of material information about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, leads to the creation of value over the short, medium and long term. We believe that our report enables our Shareholders and potential investors to gain an appreciation for exactly this, as we implement best practice each year, enhancing the manner in which we report.

In 2024, the IASB issued a joint statement on the significance of the Integrated Reporting Framework as further developed in 2022, reaffirming its continued support and its ongoing relevance within IFRS developments.

We are proud to be one of the first companies in **Botswana to adopt significant aspects of the IRF.**

Our Integrated Report
(continued)

Companies around the world are being encouraged to further enhance this way of thinking and reporting. We have noted a select number of companies which are listed on the Johannesburg Stock Exchange (JSE), that have moved towards this style of reporting as a result of their requirements under the JSE rules. At Sefalana we are proud to be leaders in Botswana for embracing this way of thinking and reporting.

The Integrated Reporting Framework's objectives can be summarised as follows:

OBJECTIVE

To improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.

RESPONSE

Each year we enhance the level of reporting in our Integrated Annual Report through additional disclosure and with cognisance to latest trends in worldwide Corporate Governance. We include the Combined Code (UK Corporate Governance Code) as one of our benchmarks together with King IV against which we measure our compliance as detailed in the Corporate Governance Report.

OBJECTIVE

To promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of the organisation to create value over time.

RESPONSE

Material Matters to the Group are detailed later in this section of the report. Refer also to the Group Managing Director's report on page 42 and the Group Finance Director's report on page 60 which capture the material aspects of our business and sets out the key risks and factors affecting our ability to generate returns for our Shareholders.

OBJECTIVE

To enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies.

RESPONSE

This is entrenched in the way we do business. This is demonstrated in our business model on page 14. Interdependencies of the various forms of capital are also illustrated on page 15.

OBJECTIVE

To explain to Shareholders how an organisation creates value over time.

RESPONSE

Formal detailed presentations are made to Shareholders every six months to provide an update on how the business is performing and to give an insight into the Group's plans for growth. Value creation is demonstrated both in terms of profitability but also in terms of capital growth in share price. The relative illiquidity on the Botswana Stock Exchange has posed a challenge for capital growth in share price but this is a common feature across the exchange. Our focus is therefore extended to softer matters of interest to Shareholders such as employment creation and building capacity in the countries in which we operate.

On two occasions in the last twelve years we have carried out a Rights Issue program whereby a Circular was issued to Shareholders explaining our vision and plans for the Group. In both instances the Rights Issue shares were oversubscribed demonstrating the effectiveness of our communication to Shareholders regarding value creation and the confidence placed in the Executive team to consistently deliver growth and return on invested capital.

OBJECTIVE

To support integrated thinking, decision – making and actions that focus on the creation of value over the short, medium and long term.

RESPONSE

The Group has regular Strategy workshops to ensure the overall objectives of the Group are identified and articulated. All relevant stakeholders are considered and decisions are made accordingly. Shareholder value is therefore augmented in line with this overall strategy as it is inherent in the way we do business. Refer to the Group Finance Director's report on page 60 for further analysis.

The International Sustainability Standards Board (ISSB)'s inaugural standards – IFRS S1 and IFRS S2 - mark the beginning of a new era of sustainability-related disclosures in capital markets worldwide. **The ISSB Standards will help to improve trust and confidence in company disclosures about sustainability to inform investment decisions. These are known as IFRS Sustainability Disclosure Standards.**

Further enhancing Integrated Reporting through ESG reporting

These Standards create a common language for disclosing sustainability-related risks and opportunities on a company's prospects. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures in relation to a company's operations, strategy and performance.

The Integrated Reporting Framework, when used together with ISSB Standards, can support a holistic view of the value creation process through governance and business model disclosure to drive connections between financial statements and sustainability - related financial disclosures.

By referring to the important value creation process, a company will be better placed to explain how it is working within its business model and value chain to manage the sustainability related risks and opportunities that can affect its performance and ability to deliver financial value for investors over the short, medium and long term.

We anticipate further progress in this area in the ensuing years with further enhanced Integrated Reporting by Sefalana on all Value Creation and related ESG factors. Please refer to our ESG section of this Annual Report for details on our ESG Journey.

IFRS S1 already builds on concepts from the IRF which helps a company articulate **how it uses and affects resources and relationships for creating, preserving and eroding value over time.**

How our Integrated Report comes together

On an on - going basis, we aim to provide our stakeholders with the confidence **and assurance that Sefalana is a well-managed and responsible Group.**

This report provides an overview of our strategy and performance in the context of a complex and constantly changing operating environment and shares our plans to optimally position our business for the future.

Our integrated reporting covers the risks, opportunities and outcomes arising from our operations on an on-going basis.

Outlook

Sefalana will continue to look for further growth opportunities and will ensure we pursue our strategic objectives. Managing our business on a daily basis is critical to our performance, however focused strategic decisions are made in light of what we want our Group to evolve into for the next generation.

As such, our objective is to position our Group for long-term success, through growing our business from its centre with all our key stakeholders in mind.

How it all comes together

Objectives		Reporting performance transparently	
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Material Matters

Matters that are considered to be "Material" are referred to as matters that substantially affect the Organisation's ability to create value over a short, medium and long term. **Our materiality process identifies the key material matters to the Group. These matters have been extracted from the Group's Risk Register which is used and reported on a regular basis to the Risk Committee and ultimately to the Board.**

1	Government spending
2	Consumer spending and confidence
3	Foreign exchange fluctuations
4	Changing commodity prices
5	Succession planning
6	Recruitment and retention of key personnel
7	Effective capital structure
8	IT infrastructure
	Brand health and development (not a form of capital)

Board Responsibility Statement

Jennifer Marinelli
Board Chair
Independent Non-Executive Director

Chandra Chauhan
Group Managing Director - Executive

Mohamed Osman
Group Finance Director - Executive

Bryan Davis
Sefalana Cash and Carry Namibia
Managing Director – Executive

The Board believes that this Annual Report considers all material matters which reflect the performance of **the Sefalana Group of companies, and accordingly adopts an Integrated Reporting approach in line with best practice.**

Mahube Mpugwa
Independent Non - Executive Director, Lead Independent Director and Remuneration Committee Chair

Susanne Swaniker-Tettey
Independent Non – Executive Director and Audit Committee Chair

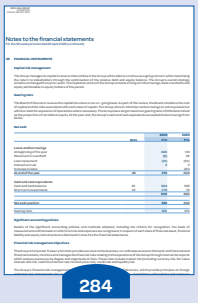
Keith Jefferis
Independent Non - Executive Director and Nominations Committee Chair

Sipho Ziga
Independent Non - Executive Director and Risk and Sustainability Committee Chair

How our Integrated Report comes together
(continued)

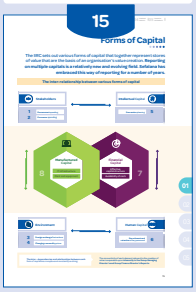
Objectives

Risk management disclosure

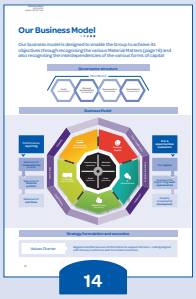


Corporate Governance Report

Forms of Capital

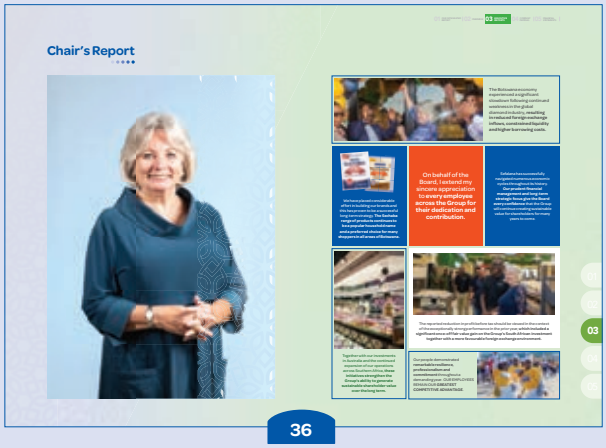


Our Business Model



We are proud to be one of the first companies in Botswana to have **adopted significant aspects of Integrated Reporting Framework.**

Chair's Report



Group Managing Director's Report

Material Matters

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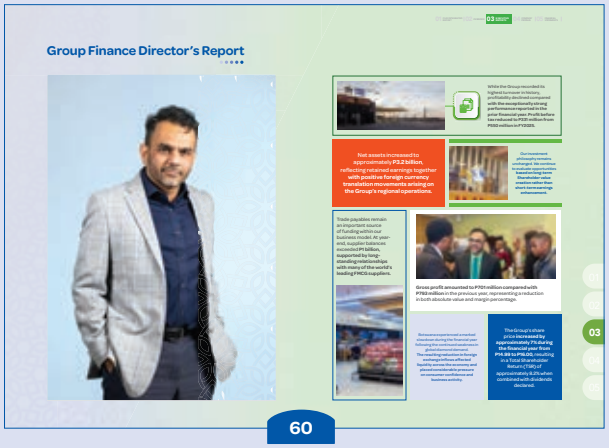
Integrated **Annual** Reports

Enhanced disclosure every year

Reporting performance transparently

Group Finance Director's Report



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Statement of Cash Flows

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Statement of Financial Position

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Statement of Comprehensive Income

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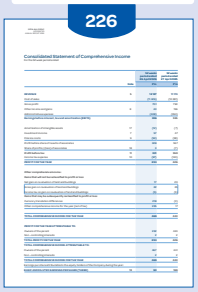
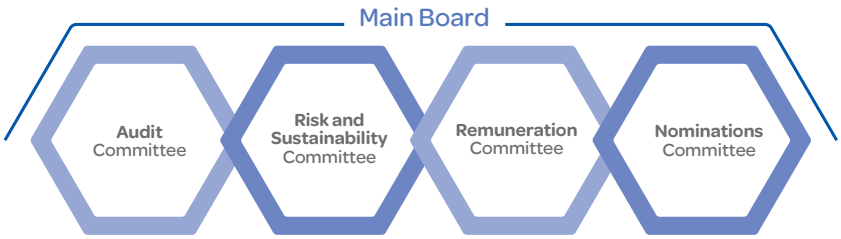


Our Business Model

Our business model is designed to enable the Group to achieve its objectives through recognising the various Material Matters (page 16) and also recognising the interdependencies of the various forms of capital

Governance structure



Business Model

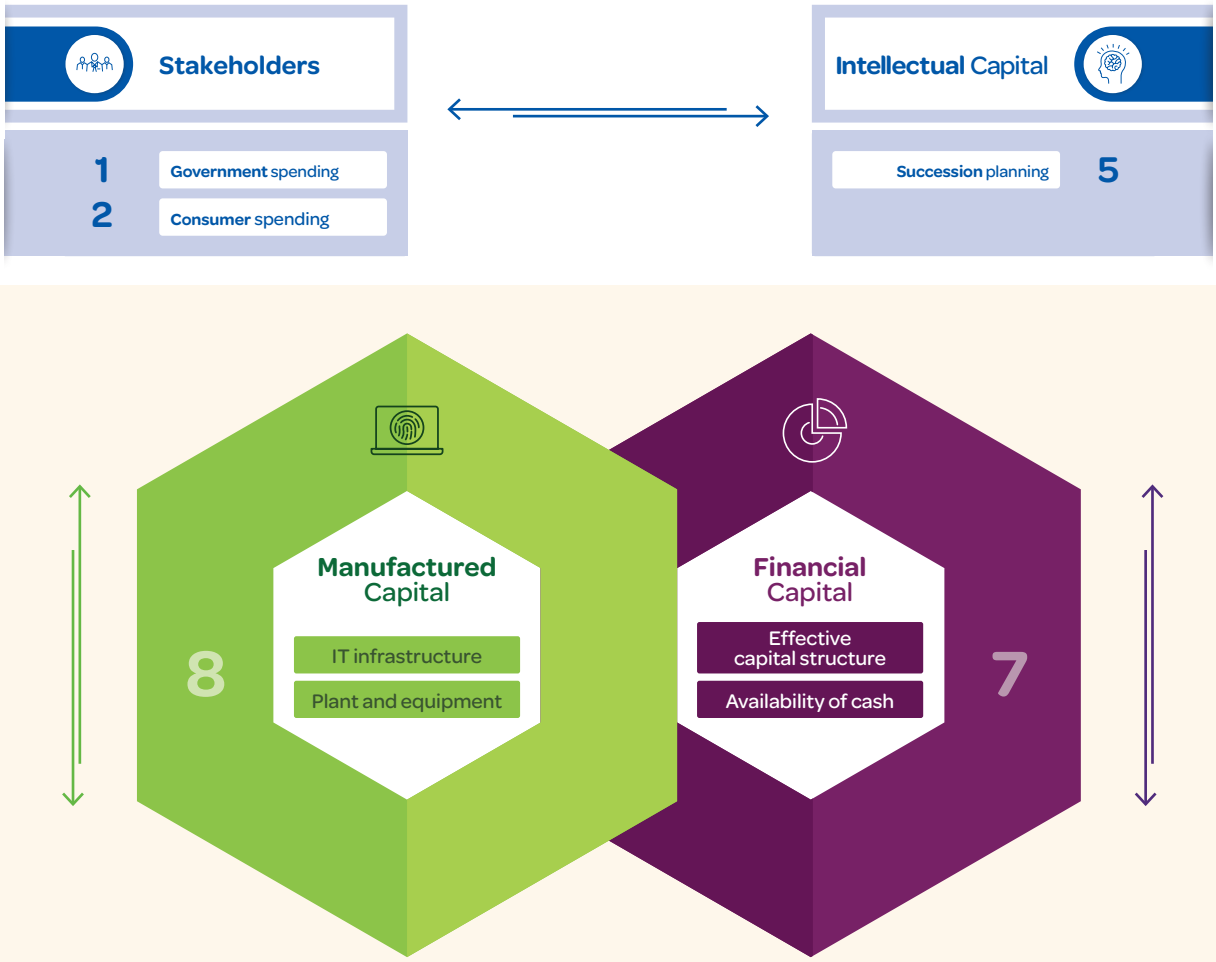
Strategy formulation and execution

Values Charter	Regular and effective use of information to support decision - making aligned with the way in which we wish to conduct ourselves.

Forms of Capital

The IIRC sets out various forms of capital that together represent stores of value that are the basis of an organisation's value creation. **Reporting on multiple capitals is a relatively new and evolving field. Sefalana has embraced this way of reporting for a number of years.**

The inter-relationship between various forms of capital



The inter - dependencies and relationships between each form of capital are complex and constantly evolving.

The connectivity of each element relevant to the creation of value is expanded upon **inherently in the Group Managing Director's and Group Finance Director's Reports.**

Material Matters

The **International Integrated Reporting Council** (IIRC) refers to the need to highlight in the Integrated Report, the matters that are considered to be "Material".

These are referred to as matters that substantially affect the Organisation's ability to create value over a short, medium and long term.

Our materiality process identifies the key material matters to the Group. These matters have been extracted from the Group's Risk Register which is used and reported on a regular basis to the Risk Committee and ultimately to the Board.

FORMS OF CAPITAL

- Stakeholders
- Environment
- Raw material procurement
- Human Capital
- Financial Capital
- Manufactured Capital
- Intellectual Capital

A Group treasury function monitors daily foreign exchange movements and ensures appropriate transactions are entered into accordingly.

The following 8 matters are considered Material to the Group in this regard and have been extracted from the Group's Risk Register which is used on an on-going basis by Internal Audit and the Risk Department, which then reports on a regular basis to the Audit Committee and Risk and Sustainability Committee respectively:

1 Government spending

IMPACT - Our manufacturing businesses rely significantly on Government tenders and levels of spend in relation to the Tsabana and Malutu feeding schemes along with the Children's UHT milk program.

These contracts usually run for no more than a 24-month period and therefore the sustainability of these manufacturing entities in our Group is largely dependent on successfully winning these orders at each tender date.

Short-term 3 month contracts have been issued recently as we await the long term contract awards.

RISK MITIGATION - We continually obtain tender invitations and ensure we respond to all tenders we believe we are capable of servicing. Being aware of tenders issued is critical for these entities in our Group. We have a strong track record for ensuring that where we have been awarded tenders, all quantities are delivered on time and that quality is not compromised. Raw materials are procured from reliable suppliers at the best possible prices thereby ensuring we are best placed to secure and deliver to any orders placed with us with little notice. Wherever possible raw materials are procured from local suppliers. Over the years we have supported several local farmers and provided them with a reliable market for their produce. We have aimed to place less reliance on Government tenders through the development and focus on branded products and ranges and maximising consumer market share.

2 Consumer spending and confidence

IMPACT - Customer spending and confidence is directly impacted upon by the level of employment and general economic sentiment. During difficult economic times, this then results in increased pressure on margins as customers look for the best prices in the market.

RISK MITIGATION - The market is increasingly becoming price sensitive and therefore we need to ensure we are competitive. Efficient and effective procurement from suppliers helps us pass on discounts to customers. Increasing basket size and offering a one - stop - shop helps retain market share.

3 Foreign exchange fluctuations

IMPACT - The purchase of products from South Africa is a significant proportion of the Group's procurement spend. The volatility of the Rand increases our exposure to pricing. Our grain procurement is linked to movements in the USD. Our rental stream in Zambia is also based on an underlying USD value. Our investment in Australia introduces exposure to a hard currency. Our overall investment in foreign denominated businesses is retranslated at each reporting date.

RISK MITIGATION - Forward contracts are entered into where appropriate and spot purchases of currency are carried out where a known cash outflow in a foreign currency is anticipated. A Group treasury function monitors daily foreign exchange movements and ensures appropriate transactions are entered into accordingly. The Group continues to monitor exchange rate volatility, particularly following the July 2025 adjustment to the Botswana Pula by the Bank of Botswana, which has contributed to increased costs of imported goods and foreign currency obligations.

Material Matters
(continued)

4 Changing commodity prices

IMPACT - The manufacturing businesses procure significant volumes of sorghum, soya and maize. These commodity prices can double or halve in any given financial year, and this is largely driven by worldwide supply and demand.

RISK MITIGATION - Forward contracts are entered into where appropriate and spot purchases of grain are carried out when prices appear to be at a low point. This helps us maintain and grow manufacturing margins.

5 Recruitment and retention of key personnel

IMPACT – Our people make our Group what it is. The culture that it fosters drives performance and to ensure this is in place the workforce needs to be motivated and aligned to the Group strategy.

RISK MITIGATION – The Group strategy is communicated throughout the organisation by means of annual workshops and seminars. High calibre staff are actively recruited from universities and other institutions. These are deemed to be the leaders of the future and therefore attractive remuneration, and retention policies are in place to reward exceptional performance.

6 Succession planning

IMPACT - The Management team ensures that the objectives of the Group are achieved, and that the success of the organisation is not reliant on one or a few key members.

RISK MITIGATION - Recruitment of understudies is carried out for all significant positions and adequate training and mentoring is ensured on an on - going basis. Our staff turnover rates are very low with several staff remaining with the Group for over 30 years. Suitable and attractive remuneration packages are put in place to motivate and retain key staff that can lead our organization into the future.

7 Effective capital structure

IMPACT – In order to support the Group's plans for expansion, sufficient capital is required to ensure the net return to Shareholders is in line with their expectations.

RISK MITIGATION – Careful consideration is given to the issue of equity vs debt and a target capital ratio range is maintained at all times.

8 IT infrastructure

IMPACT – In a constantly evolving world, the use of technology is essential to provide an organisation with the speed and efficiency for success. IT can enable an organisation to offer innovative new products and services to its customer base.

RISK MITIGATION – Computer software and hardware is updated on an on-going basis.

IT governance frameworks are updated on an on-going basis to comply with data protection regulations to ensure we uphold security and privacy of our systems.

The Group plans to establish an AI Hub to further strengthen IT governance and innovation. This initiative will enhance operational efficiencies, data-driven insights, and overall governance structures across the Group.

Brand health and development (not a form of capital)

IMPACT - We have built up our brand over 52 years and it is critical that we leverage off this brand value to maximise returns.

RISK MITIGATION - Our rebranding program commenced in 2015 and has been rolled out throughout the Group. We have received very positive feedback in this area, and this has helped consolidate and strengthen our Botswana brand. We periodically carry out surveys to assess brand health and respond accordingly. We are proud to now be one of Botswana's leading home-grown FMCG brands.

Our 30-car give away competition

02 OVERVIEW

52 years of creating value

Our timeline – an eventful first 5 decades

Sefalana sa Botswana was formed to purchase the Botswana operations of **Bechmalt Holdings, comprising 6 wholesale stores and a maize mill**

1974

Sefalana

Sefalana Holding Company Limited

Sefalana Botswana became the **1st publicly listed company in Botswana**

1975

The management and administration functions were **transferred to Botswana from South Africa**

1989

Acquired the remaining 30% minority shareholding in MF Holdings and additional 40% in **Natural Value Foods Botswana (subsequently renamed Sefalana Fresh Produce (Pty) Limited)**

2017

Sfp

Sefalana Fresh Produce

A Sefalana Group Company

Setlhoa – **First of its kind** – hybrid retail store

2020

The BIG One

Entered the Australian market through an investment in a **40% associate company that operates in the FMCG sector.** This investment was reduced to a 30% stake in April 2024.

2020

Launched our Wings & Things **and rolled it out in our Shopper stores.**

2020

wings & things

Foods Botswana purchased a water and juice bottling plant. We are now producing still, **sparkling and flavoured water under the Clear Water brand, and our house brand A-star.**

2022

Clear Water

Entered the South African market via a second **preference share investment into an FMCG consortium**

2024

The Group celebrated its **50th anniversary of operations**

2024

Sefalana 50 YEARS of creating value

Established Turnbridge Projects to manufacture and supply **the Group with signage and other marketing material**

2024

Turnbridge PROJECTS

Launched (Level 55) business to procure and supply our FMCG businesses with shop fittings and equipment. This business is a **65% subsidiary of the Group with a minority shareholding being held by a technical partner from South Africa.**

2023

level 55 retail innovation

Our first Metro Fresh and Metro Home stores were opened providing an exceptional and **unique offering to our customer base in Windhoek, Namibia.**

2023

metro home

metro fresh

Merged the Group's wholesale operations with the Botswana operations of Metro; **formed Metro Sefalana Cash & Carry Limited (Metsef), the formation being a predecessor of today's Sefalana Cash & Carry**

1994

Acquired 55% of MF Holdings and acquired HJ Heinz Botswana, later renamed KSI Holdings. Acquired an additional 40% of **Metsef equity and gained control of the entity, renaming it Sefalana Cash & Carry Limited (Sefcash)**

2006

Investment in **property in Zambia**

2009

Launched "Shoppers" supermarket chain. Acquired the remaining **Sefcash shares and delisted Sefcash from the Botswana Stock Exchange**

2010

Opened our first store outside **Botswana in Namibia**

2013

Launched **"Sefalana rewards"** loyalty program

2016

Acquired largest **Cash & Carry in Maseru,** Lesotho

2016

Acquired a UHT milk plant and established **our beverages manufacturing business**

2016

Refreshed and **consolidated our** brand

2015

Acquisition of **12 Metro stores across Namibia**

2015

Increased our Group footprint by **12 stores and refurbished a number of existing stores**

2025

Converted the preference share investment into a **30% equity investment in the South African FMCG business**

2026

Creating value **through Diversification**

Our Sefalana

The Sefalana Group of Companies has proudly established itself **as a cornerstone of growth and opportunity in Botswana, and within Southern Africa.**

The FMCG (Fast Moving Consumer Goods) business remains at its core, however through diversification, the Group has become a true basket of opportunities that benefits both our Shareholders and the communities we serve.

Today Sefalana's operations spans across wholesale, retail, hybrid and grocery stores. The Group also operates in fresh produce, distribution, automotives, property, printing & publishing, and manufacturing. The Group now offers a wide range of products and services that meet the evolving needs of our customers.

Founded on a vision of sustainable growth and customer-centric service,

Sefalana has steadily developed into a formidable force in the business landscape. With over 130 stores across the region and nearly 300 banner members spread throughout Southern Africa, we serve thousands of customers every week.

Our history is rich with milestones, including being the first company to list its shares on the Botswana Stock Exchange in 1975, and growing from a modest six stores in Botswana to a multi-national entity with operations in four countries.

CORPORATE INFORMATION

Sefalana Holding Company Limited

Sefalana Holding Company Limited is incorporated in Botswana - Company registration number **BW00001731678**

Business Address

Private Bag 0080,
Gaborone, Botswana,
Telephone: (+267) 3913661,
Fax: (+267) 3907613

Auditors

PricewaterhouseCoopers
Plot 64289, Tlokweng Road,
P O Box 294, Gaborone, Botswana

Lawyers

Osei - Ofei & Co
First Floor, Unit 18, Kgale Mews,
Gaborone, International Finance Park,
P O Box 403506, Gaborone, Botswana

Our strategy focuses on offering value to our customers by meeting their ever-changing needs with quality products and services. We understand the importance of innovation, operational efficiency, and customer loyalty in driving sustainable growth. By offering innovative solutions, such as our loyalty programs, and convenient payment options, we maintain a close relationship with our customers, further solidifying the trust they place in us.

Sefalana's commitment to sustainability extends beyond our operations. We actively contribute to the development of our communities, acting responsibly to foster sustainable businesses and sustainable business relationships in the regions where we operate. By cultivating meaningful relationships with stakeholders and prioritizing transparency, we have become a trusted brand known for reliability and integrity.

Our success is built on steady, gradual progress, and we are focused on leaving a legacy for future generations to enjoy and benefit from. As we look forward, we remain committed to expanding our reach, innovating for the future, and nurturing the entrepreneurial spirit within our communities.

The journey of Sefalana is not just about the growth of a business; it's about the growth of people, communities, and opportunities. Our Group stands as a testament to what can be achieved when vision, hard work, and commitment converge. We are proud of our legacy and excited about the future. Sefalana is your basket of opportunities, and together, we will continue to build a brighter tomorrow.

At the heart of Sefalana's success are our people. With over 8,200 employees, we are proud to be an employer of choice, committed to helping our team members reach their full potential. Through continuous learning and development programs, including accredited training, coaching, and reviews, we empower our employees to grow both personally and professionally, ensuring the long-term success of both the individuals and the organisation.

Group Secretary

Joanne Robinson
companysecretary@sefalana.com

Share Transfer Secretaries

The Central Securities Depository Botswana
Plot 70667, 4th Floor, Fairscape Precinct,
Fairgrounds, Gaborone, Botswana
Private Bag 00417, Gaborone, Botswana

Bankers

- Absa Bank of Botswana Limited
- Access Bank Botswana Limited
- Bank Windhoek Limited
- First Capital Bank Botswana Limited
- First National Bank of Botswana Limited
- First National Bank of Namibia Limited
- First National Bank of South Africa Limited
- Nedbank Lesotho Limited
- Nedbank Namibia Limited
- Stanbic Bank Botswana Limited
- Standard Bank Lesotho Limited
- Standard Bank (Mauritius) Limited
- Standard Bank Namibia Limited
- Standard Chartered Bank Botswana Limited
- Zambia National Commercial Bank

Sefalana Sa Rona

Kompone tsa Sefalana di itlhomile ko pele jaaka motheo wa kgolo le ditshono **mo Botswana le mo tikologong ya Borwa jwa Aforika.**

Kgwebo ya FMCG (dithoto tse di rekisiwang ka bonako) e santse e le boremelelo jwa kgwebo, mme re tsweletse ka go farologanya ditirelo tsa rona ka boammaruri " letlotlo la ditshono" Se se ne sa sologela molemo babeeletsi ba rona le baji-bareki.

Gompieno, Kompone ya Sefalana e atolositse dikgwebo tsa yone, go rekisetsa dikgwebo tse dingwe, hybrid le mabenkele a dijo. Kompone ena le dikgwebo tse dingwe jaaka go rekisa maugo, phatlalatso ya dithoto, thekiso ya dikoloi, tse di gatisang e bile di patlalatsa mekwalo ya ipapatso, kgwebo ya dikago. Sefalana jaanong e fana ka mefuta e mentsi ya dithoto le ditirelo tse di kgotsofatsang ditlhokego tse di fetogang tsa bareki ba rona.

Sefalana e thaetswe mo ponelopeng ya kgolo e itabagantse le go neela baji bareki ditirelo tsa tlhwatlhwa,

Sefalana e godile ka iketlo go nna le maatla aa bonalang mo lefatsheng la kgwebo. Ka mabentlele ale lekgolo le masome a mararo (130) lefatshe ka bophara le dikgwebo tse di ikemetseng ka nosi di feta makgolo a mararo (300) tse di re emeng nokeng kgaolong ya borwa jwa Aforika.

Re itsege ka go itlhoma ko pele jaaka re itsiwe re le kompone ya ntlha go ananya diabe tsa yone ko Botswana Stock Exchange ka ngwaga wa 1975 e bile re godile go tswa mo mabentleleng a le marataro go nna kgwebo e e nonofileng e e gwebang mo mafatsheng a le mane.

Leano la rona le lebile go neela baji-bareki boleng ka go kgotsofatsa ditlhokego tsa bone tse di fetogang ka dithoto le ditirelo tsa boleng jo bo kwa godimo. Re tlhaloganya botlhokwa jwa boitlhamelo, bokgoni mo ditirong, le boikanyego jwa bareki mo go tlisang kgolo e e tswelelang. Ka go neelana ka ditharabololo tse di ntšha, jaaka mananeo a boikanyego le go tlhofofatsa ditsela tsa go duela a nonotsha botsalano jwa rona le baji-bareki le go godisa tshepho ya bone mo go rona.

Sefalana ena le maitlamo mo go godiseng le go babaleleng sechaba mo ditirelong tsotlhe tsa rona. Re tsenya letsogo ka mafolofolo mo tlhabololong ya metseselegae ya rona, re dira ka boikarabelo go godisa dikgwebo tse di tswelelang le dikamano tse di siameng tsa kgwebo mo mafelong a re dirang mo go one. Ka go aga dikamano tse di nang le bokao le baji-bareki le go etelela, re fetogile letshwao le le ikanyegang le le itsegeng ka botshepegi le boitshepo.

Katlego ya rona e ikaegile mo go direng dilo sentle ka dinako tsotlhe gore re age boswa jo bo tla akolwang ke dikokomana tse di tlang. Re ikaelela go tswelela re gola, re tswa ka maano a masha, le go godisa mowa wa kgwebo mo sechabeng.

Sefalana ga se ipelafatse fela ka go godisa kgwebo ya sone, mme ba ipelafatsa ka kgolo ya batho (babereki), sechaba, le go tlisa ditshono tse di farologanyeng le metswedi ya khumo. Re sekao sa gore go dira ka natla le boineelo, go na le pono e e tlhapileng go ka tsisa maduo. Re itumelela motlhala wa rona; e bile re solofetse isago e e nametsang. Sefalana letlotlo la ditshono. Re tla dira mmogo go aga isago e e eletsegang.

Mo kgolong ya katlego ya rona ke ka babereki ba rona. Re na le babereki ba ba fetang dikete dile bofera bobedi le makgolo a mabedi (8, 200) re ipelafatsa ka gore re mohiri yo o eletsegang e bile a ikiteile ka thupana go thusa babereki go gola le go tlhatloga. Re tsweletse ka go godisa babereki ba rona ka go ba rutuntsha ka mananeo a a farologanyeng jaaka ithutuntsho e e akgotsweng ke makalana a a tshwanetseng, go ba tsamaisa tshipidi le go ba ema nokeng, go sekaseka tiro ya bone, le go ba kaela. Maiteko a go godisa babereki a ba tswela mosola ka gore a a ba nonotsha; se gape se tsisa katlego mo isagong ya bone le ya kompone.

Financial highlights

	2026 P'm	2025 P'm
Revenue	12 127	11 174
Profit for the year attributable to equity holders of the parent	232	424
Total comprehensive income attributable to equity holders of the parent	467	441
Shares in issue at beginning of year (number)	250 726 709	250 726 709
Weighted average shares in issue during the year (number)	250 726 709	250 726 709
Basic earnings per share (thebe)	93	169
Total comprehensive income per share (thebe)	186	176
Dividends per share (thebe) - ordinary - paid	38	65
Dividends per share (thebe) - ordinary - proposed	20	38
Dividend cover (times) - ordinary	4.63	3.38
Net asset value per share (thebe)	1 276	1 127
Market price per share at year end (thebe)	1 600	1 499

Value added statement

	2026 P'm	2025 P'm
Wealth created		
Revenue	12 127	11 174
Payments to suppliers and providers of services	(10 997)	(9 948)
Value addition	1 130	1 226
Effect of profit / (loss) from operations of associates	3	(7)
Interest income from bank deposits	57	47
Total wealth created	1 190	1 266
Wealth distribution		
To employees	659	600
To providers of capital	148	201
Government for taxes	97	124
Total wealth distributed	904	925
Wealth retained in the business		
To maintain and develop operations of the Group	286	341
Number of employees of the Group	**8 272**	**8 172**

Shareholder Information

Analysis of Shareholders

	26 April 2026		27 April 2025	
Shareholders with an individually significant interest in Sefalana Holding Company Limited				
Botswana Public Officers Fund	122 329 424	48.79%	121 696 052	48.54%
Motor Vehicle Accident Fund	22 574 824	9.00%	22 574 824	9.00%
Debswana Pension Fund	16 773 694	6.69%	16 722 427	6.67%
Chandra Chauhan	14 134 204	5.64%	14 134 204	5.64%
	175 812 146	70.12%	175 127 507	69.85%
Summary by class of Shareholders:				
Insurance companies, pension funds and nominee companies	219 182 175	87.42%	229 737 528	91.63%
Individuals and others	31 544 534	12.58%	20 989 181	8.37%
Total	250 726 709	100.00%	250 726 709	100.00%
Shares held by citizens (individuals and institutions)	244 079 824	97.35%	243 011 221	96.92%

Analysis of shares held by public and non-public shareholders	26 April 2026		27 April 2025	
	Public	Non Public	Public	Non Public
Number of shareholders	1 911	8	1 818	10
Number of shares held	236 168 106	14 558 603	236 202 910	14 523 799
Proportion (%)	94%	6%	94%	6%

Stock market information

Number of shares traded (000)	83 488	12 205
Value of shares traded (P'000)	1 258 446	162 857
Share price for the period (thebe):		
Lowest	1 499	1 180
Highest	1 600	1 500
Closing	1 600	1 499
Market Capitalisation at year end (P'000)	4 011 627	3 758 393

Shareholders' calendar

Financial year end	26 April 2026
Announcement of audited results	31 July 2026
Annual General Meeting	30 October 2026
Announcement of half year results	end of January 2027

The market capitalisation of the Group on 26 April 2026 amounted to P4 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.

Five year trending

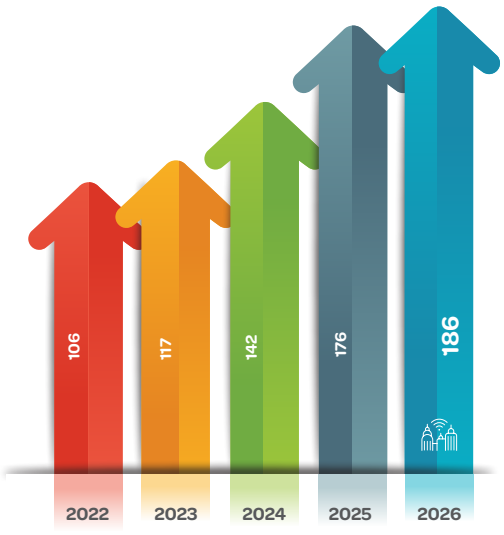
Revenue (P'm)

Equity (P'm)

The Group delivered revenue of P12 billion, the highest reported in our 52-year history, continued to expand its regional footprint, **strengthened its balance sheet, increased net assets to over P3.2 billion and preserved a healthy liquidity position despite significantly higher funding costs across the market.**

Earnings per share (thebe)

Total comprehensive income per share (thebe)



Record of financial performance

	For the 52 week period ended	For the 52 week period ended	For the 52 week period ended	For the 53 week period ended	For the 52 week period ended
	26 April 2026	27 April 2025	28 April 2024	30 April 2023	24 April 2022
	P'm	P'm	P'm	P'm	P'm
Comprehensive Income					
Revenue	12 127	11 174	9 720	9 116	7 519
Profit from operations	328	557	461	413	348
Share of results from associate and joint venture	3	(7)	(18)	(11)	(14)
Income tax expense	(97)	(124)	(107)	(102)	(113)
Profit for the year	**234**	**426**	**336**	**300**	**221**
Other comprehensive income / (loss)	235	17	20	(6)	47
Non - controlling interests	(2)	(2)	(1)	(1)	(1)
Total comprehensive income for the year attributable to equity holders of the parent	467	441	355	293	267
Earnings per share (thebe)	93	169	133	119	88
Total comprehensive income per share (thebe)	186	176	142	117	106
Dividends per share (thebe)	20	50	65	62	52

	26 April 2026	27 April 2025	28 April 2024	30 April 2023	24 April 2022
	P'm	P'm	P'm	P'm	P'm
Financial position					
Property, plant and equipment	1 362	1 262	1 081	936	857
Right of use assets	291	239	175	181	230
Investment property	210	207	229	238	230
Intangible assets	106	103	106	110	123
Investment in associates	401	39	36	57	64
Loan to associate	67	55	65	58	
Investment in preference shares		303			191
Deferred lease assets	3	4	5	5	5
Deferred tax assets	37	35	30	31	30
Trade and other receivables	5	5	5	5	6
Current assets	2 851	2 500	2 324	1 944	1 913
Asset classified as held for sale			6		35
Current liabilities	(1 475)	(1 306)	(1 176)	(869)	(1 126)
Non - current liabilities	(659)	(621)	(341)	(356)	(383)
Non - controlling interests	(29)	(27)	(24)	(20)	(17)
Equity attributable to equity holders of the parent	**3 170**	**2 798**	**2 521**	**2 320**	**2 158**

* Restated to comply with the requirement of International Accounting Standards (IAS 19 and early adoption of amendments to IAS 12).

Shopper
Liquor
wings & things
Pedros
Options
CLICKS
PEP
Cell City
max
JB
The BIG One

03 EXECUTIVE REPORTS

52 years of creating value

BOARD OF DIRECTORS

1 **Jennifer Marinelli**
Board Chair
Independent
Non - Executive Director

2 **Chandra Chauhan**
Group Managing Director
Executive

3 **Mohamed Osman**
Group Finance Director
Executive

4 **Susanne Swaniker-Tettey**
Independent
Non – Executive Director

5 **Keith Jefferis**
Independent
Non - Executive Director

6 **Sipho Ziga**
Independent
Non - Executive Director

7 **Bryan Davis**
Sefalana Cash and Carry
Namibia Managing Director -
Executive

8 **Mahube Mpugwa**
Independent
Non - Executive Director

Chair's Report

The Botswana economy experienced a significant slowdown following continued weakness in the global diamond industry, **resulting in reduced foreign exchange inflows, constrained liquidity and higher borrowing costs.**

We have placed considerable effort in building our brands and this has proven to be a successful long-term strategy. **The Sechaba range of products continues to be a popular household name and a preferred choice for many shoppers in all areas of Botswana.**

On behalf of the Board, I extend my sincere appreciation to **every employee across the Group for their dedication and contribution.**

Sefalana has successfully navigated numerous economic cycles throughout its history. **Our prudent financial management and long-term strategic focus give the Board every confidence** that the Group will continue creating sustainable value for shareholders for many years to come.

Together with our investments in Australia and the continued expansion of our operations across Southern Africa, **these initiatives strengthen the Group's ability to generate sustainable shareholder value over the long term.**

The reported reduction in profit before tax should be viewed in the context of the exceptionally strong performance in the prior year, **which included a significant once-off fair value gain on the Group's South African investment together with a more favourable foreign exchange environment.**

Our people demonstrated **remarkable resilience, professionalism and commitment** throughout a demanding year. OUR EMPLOYEES REMAIN OUR **GREATEST COMPETITIVE ADVANTAGE**.

Chair's report
(continued)

It is my pleasure to present Sefalana's Integrated Annual Report **for the 52-week period ended 26 April 2026.**

The Group Managing Director's Report and Group Finance Director's Report provide a comprehensive overview of our operational and financial performance during the year.

They demonstrate how the Group successfully navigated one of the most challenging trading environments experienced in recent years while continuing to strengthen the foundations of our business for long-term sustainable growth.

A challenging economic environment

The year under review was characterised by considerable economic uncertainty across our principal markets.

The Botswana economy experienced a significant slowdown following continued weakness in the global diamond industry, resulting in reduced foreign exchange inflows, constrained liquidity and higher borrowing costs. The adjustment of the Botswana Pula during the year increased the cost of imported merchandise and placed additional pressure on both businesses and consumers. These factors inevitably influenced consumer confidence and spending patterns, creating a difficult operating environment for the various sectors in which we operate.

Our Namibian operations continue to demonstrate resilience despite persistent inflationary pressures and subdued consumer demand. Encouragingly, continued investment in the country's emerging oil and gas sector provides a strong foundation for future economic growth, and we remain optimistic about the opportunities this will create over the medium to long term for the country and for our Group.

Lesotho likewise remains resilient, while our investments in South Africa and Australia continue to reinforce the benefits of our regional diversification strategy.

Although economic conditions across the region remain challenging, the Board remains confident in the long-term fundamentals of the markets in which we operate. Botswana and Namibia continue to benefit from sound institutions, prudent fiscal management and significant long-term growth potential.

Demonstrating resilience

I am proud of how the Group responded to the challenges it faced.

While profitability reduced compared with the exceptional performance achieved in the previous year, Sefalana delivered revenue of just over P12 billion—the highest in the Group's history. Importantly, the Group maintained a strong liquidity position, preserved a healthy balance sheet and continued to invest in strategic initiatives that will support future growth.

The reported reduction in profit before tax should be viewed in the context of the exceptionally strong performance in the prior year, which included a significant once-off fair value gain on the Group's South African investment together with a more favourable foreign exchange environment. Excluding these non-recurring items, the underlying performance of the business remained resilient despite exceptionally difficult trading conditions.

Delivering long-term Shareholder value

Our strategic direction remains unchanged.

Over many years, Sefalana has deliberately diversified both geographically and operationally, creating a business that is more resilient through economic cycles. The value of this strategy has again been demonstrated during the year, with contributions from multiple markets and business sectors helping to moderate the impact of challenging conditions within Botswana.

The conversion of our South African preference share investment into a 30% equity interest marks another important milestone in the execution of our regional growth strategy. Together with our investments in Australia and the continued expansion of our operations across Southern Africa, these initiatives strengthen the Group's ability to generate sustainable shareholder value over the long term.

The Board remains supportive of Management's disciplined capital allocation framework, ensuring that investment decisions continue to balance growth opportunities with prudent financial management.

Our competitive advantage

Our employees remain our greatest competitive advantage.

Across every business within the Group, our people demonstrated remarkable resilience, professionalism and commitment throughout a demanding year. Their ability to continue delivering excellent service to our customers, while adapting to changing market conditions, reflects the strength of the Sefalana culture.

On behalf of the Board, I extend my sincere appreciation to every employee across the Group for their dedication and contribution.

I would also like to thank our Executive Leadership Team for their disciplined execution of the Group's strategy and their unwavering focus on operational excellence, customer service and financial stewardship during a particularly challenging period.

Looking ahead

While the near-term economic outlook remains uncertain, the Board is optimistic about the future.

We are encouraged by the continued growth opportunities within Namibia, the expected contribution from our South African investment and the ongoing development of our retail and manufacturing businesses.

Sefalana has successfully navigated numerous economic cycles throughout its history. Our diversified business model, prudent financial management and long-term strategic focus give the Board every confidence that the Group will continue creating sustainable value for Shareholders for many years to come.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our Shareholders for their continued confidence and support.

I also thank my fellow Directors for their wisdom, guidance and commitment throughout the year and I welcome Mr Otlaabotsa Tsie to our board, and bid farewell to Ms Paula Disberry and Mr Gerhard Scheepers, with gratitude for their service.

I look forward to the year ahead with confidence and optimism.

JM Marinelli
Chair

Delicious & Nutritious

Fb
Foods Botswana

FEEDING OUR NATION

Group Managing Director's report

Group profit before tax for the current year amounted to P331 million, **representing a decrease of 40% compared to the prior year.**

As a proudly Botswana-based group, we remain committed to playing our part in supporting economic development and creating sustainable employment opportunities. **We believe that our continued investment in people, infrastructure, and communities will position us well to contribute meaningfully to the country's recovery and long-term prosperity.**

Our Botswana property portfolio performed well, contributing 1% and **20% to Group revenue and PBT respectively.**

Revenue of P12 billion was our highest reported results with an increase of 9% on the prior year. Top line growth is an indication of market share penetration. **We are pleased with the level of growth despite the challenges being experienced in the various economies.**

NAMIBIA

Metro Namibia business makes a significant contribution to overall Group results each year.

We remain one of the largest FMCG businesses in Namibia. At the start of the year, we had 32 stores across the country.

BOTSWANA

Overall Botswana business units which usually represent around two thirds of our Group results, have generated just over half the Group's profit

at P186 million of PBT for the year, compared to P339 million in the prior year. The Botswana economy has experienced the greatest strain.

LESOTHO

We have been operating in Lesotho for just over 10 years and the underlying business is performing well.

At the start of the year we had five stores across the country located in Maputsoe, Maseru and Mohale's Hoek. During the year we opened one store in Lithabaneng.

Our diversification into neighbouring countries over the last 13 years has helped us maintain and **grow the Group's overall performance. Our business model has been tailored to each economy.**

AUSTRALIA

Our investment in Australia (30% associate) continues to generate a positive EBITA and cash.

We currently operate nine stores across Brisbane under the Seasons IGA brand.

SOUTH AFRICA

The Group successfully exercised its option to convert our preference share investment into a 30% equity stake in UIH South Africa.

UIH is a dominant buying Group in the FMCG sector and owns several supermarkets across South Africa.

Group Managing Director's report
(continued)

Although for the current year the Group reports its highest revenue in its 52-year history. The April 2026 financial year marked the first decline in profitability since the 2017 downturn which followed the BCL mine closures and related unemployment.

Group profit before tax for the current year amounted to P331 million, representing a decrease of 40% compared to the prior year. At Sefalana these expectations are not new. While ESG as a formal framework has gained prominence in recent years, the principles that underpin it have been embedded in how we operate for many years.

Underlying Group profit before tax declined by 19%, with the majority of the reduction arising within the Botswana operations.

Once-off items accounting for 21% of the decrease in year-on-year profits

This decline was largely attributable to two significant factors. Firstly, the prior year included a once-off fair value gain of P102 million arising from the acquisition of a South African investment at a discount to its fair value. As this gain is non-recurring, no corresponding benefit was recognised in the current year.

Secondly, the Botswana Pula depreciated by approximately 8% against the South African Rand in July 2025 following a currency adjustment by the Bank of Botswana. Given that a substantial proportion of products consumed in Botswana are imported from South Africa, the currency adjustment materially increased the Group's cost of purchases. The settlement of trade payables at that time resulted in an unanticipated additional once-off cost of approximately P16 million.

Together, the non-recurring fair value gain of the South African investment and the impact of the currency adjustment accounted for P118 million of the year-on-year decline in profit before tax. Excluding these factors, underlying Group profit before tax declined by 19%, with the majority of the reduction arising within the Botswana operations.

Financial highlights

For the 52-week period to 26 April 2026, the Group achieved:

Revenue	▲ 9%	Revenue of **P12 billion** – up 9% on prior year;
EBITA	▼ 39%	Earnings before interest, tax, and amortisation **("EBITA") of P336 million** - down 39% on prior year and down 19% excluding once- off items;
Profit before tax	▼ 40%	Profit before tax of **P331 million** – down 40% on the prior year and down 19% excluding once- off items;
Total Comprehensive income	▲ 6%	Total Comprehensive income of **P469 million** – up 6% on prior year;
Final dividend	20t	Final dividend of **20 thebe** per share; and
Total employment	▲ 8,272	Total employment of 8,272 – up **100 individuals** compared to prior year.

The key drivers for this reduced underlying profitability are presented below:

	P'm	%
April 2025 Profit before tax	**550**	
Once – off items (FV preference share and currency adjustment)	(118)	(21)%
Reduced Manufacturing activity	(72)	(13)%
Increased electricity tariff	(25)	(5)%
Higher than average pay increase for lower income earners	(14)	(3%)
Other factors	10	2%
April 2026 Profit before tax	**331**	**(40%)**

The decline in underlying business performance was primarily attributable to a P72 million reduction in manufacturing profit driven by a seven-month gap between Government tenders (refer to the Manufacturing segment discussion below). Grain with a cost of some P130 million was procured in anticipation of the annual tender invitations which were issued in late 2025 and later revoked. This unanticipated event adversely impacted the business unit. It is encouraging to note that a good element of these tenders was awarded urgently to the Group in June 2026.

Group Managing Director's report
(continued)

Our Group's diversification strategy along with continued innovation and focus on business development, has enabled us to mitigate downward **trends in certain sectors and territories over the years. We will continue to pursue a diversification strategy to optimise Shareholder return and value.**

During the year electricity tariffs were increased by around 24% impacting the cost of doing business. The Group incurred a P25 million additional spend on power. Whilst a number of stores have solar equipment, this only provided partial mitigation.

A higher-than-average wage increase (up to 23%) was granted to lower-earning employees, in an attempt to assist these personnel with the burden of the increased cost of living. This cost the Group an additional P14 million in personnel costs.

Economic environment

The exceptionally difficult economic conditions in Botswana, triggered by the decline in global demand for diamonds, continued throughout the financial year. The resulting liquidity constraints within the economy significantly increased the cost of borrowing for consumers and reduced disposable income, adversely affecting spending patterns. At the half-year, we reported that these conditions had affected three of the six months under review. Unfortunately, trading conditions have remained largely unchanged during the second half of the financial year resulting in nine months of difficult trading.

Consumer spending is evolving. Customers continue to manage their available income cautiously, prioritising essential and necessity purchases. As a result, demand for higher-margin discretionary and luxury products softened, leading to a less favourable sales mix and an overall dilution of gross margins across several business segments.

While these trading conditions have been challenging, the Group remains focused on managing costs, preserving cash flows, and positioning itself to benefit when economic conditions improve.

The Namibian economy, where we have our second largest presence, has also been experiencing some strain, albeit not at the levels being seen in Botswana. Pressure on consumer affordability has been impacted by general inflation and persistent unemployment. Oil and Gas findings in the area have stimulated the economy with increased optimism for the forthcoming years.

Due to the complex nature of the sectors in which we operate, the Management teams across the various business units have had to find new and creative ways of doing business better. Whilst we did not actively pursue new store locations, we did honour earlier commitments made to local landlords and as a result an additional 12 stores were opened across the Group. We have opened an additional four stores (Botswana) post year end, and anticipate another five (Namibia) stores opening over the coming 12 months. Our footprint has further improved during the period and enhanced our market share and presence across all our territories.

Whilst the reported results are down on the prior year, we are still extremely proud to be reporting a solid profit of just over P331 million for our **Shareholders and our on-going position as major employers in all areas with an increase in headcount by 100 personnel during the year.**

Regional operations and foreign exchange exposure

Our diversification into neighbouring countries over the last 13 years has helped us maintain and grow the Group's overall performance. Our business model has been tailored to each economy.

Diversification into other regions brings with it foreign exchange exposure. For this period, we have recorded a retranslation gain of P218 million largely relating to the Namibian and Lesotho businesses which are all ZAR denominated, with the ZAR appreciating against the Pula. This compares to a translation loss of P3 million in the prior year when there was lesser volatility. These currencies constantly fluctuate, and the retranslation gains and losses are largely temporary and are recorded in other comprehensive income and losses in line with IFRS.

Key performance indicators

Revenue

Revenue of P12 billion was our highest reported result with an increase of 9% on the prior year. Top line growth is an indication of market share penetration. We are pleased with the level of growth despite the challenges being experienced in the various economies.

Sefcash Botswana increased its turnover by 5%, Metro Namibia by 16% (in Pula terms), Sefalana Lesotho by 24% (in Pula terms). Like-for-like sales increases in Botswana was (1%), Namibia 2% and Lesotho 8%.

Gross profit and impact of July currency adjustment

Group Gross Profit (GP) of 5.8% was achieved compared to 7.1% in the prior year, illustrating the increased competitive environment in all the territories in which we operate. Absolute GP of P701m was 12% down on the prior year.

GP percentage for Sefcash Botswana was 4.0% compared to 5.4% in the prior year, Metro Namibia at 4.6% compared to 5.1% previously, and Sefalana Lesotho at 5.5% compared to 6.0% in the prior year. A similar trend is being experienced across the Region as many suppliers are common to all our business units and competitive pressures have heightened during the period. The impact of the July 2025 currency adjustment had a significant adverse impact on the Botswana business reported GP.

Revenue of P12 billion was our highest reported results with an increase of 9% on the prior year. Top line growth is an indication of market share penetration. We are pleased with the level of growth despite the challenges being experienced in the various economies.

Operating Divisions

Our diversification strategy across both trade sectors and countries over recent years **has helped maintain our Group performance and support sustained long term growth.**

- Australia
- Botswana
- Lesotho
- Namibia
- South Africa
- Zambia

Sefalana GROUP

Your basket of opportunities

SOUTH AFRICA

Our investment in South Africa

The Consortium currently owns 17 stores across the country which are well located in areas where there is a strong population to support its trade. For all target chains acquired to date, performance has improved post take-over.

AUSTRALIA

Our investment in Australia

In April 2020, the Group expanded overseas through investing in an Australian business that operates in the FMCG division. Sefalana's investment in the business is at a 30% shareholding.

Operating FMCG Divisions

Sefalana TRADING

BOTSWANA

Sefalana
Sa Rona - Your family value store
Sefalana Hyper
Sefalana Cash & Carry
Sefalana Shopper
Sefalana Quick
Sefalana Liquor
Sefalana Catering

Sfp
Sefalana Fresh Produce
A Sefalana Group Company

NAMIBIA

Metro
home
fresh

LESOTHO

Sefalana Cash & Carry Lesotho
Sefalana Liquor
Sefalana Shopper

Other Operating Divisions

Sefalana MOTORS

BOTSWANA

Cm
Commercial Motors

Sefalana INDUSTRIES

BOTSWANA

Fb
Foods Botswana

Turnbridge PROJECTS

level 55
retail innovation

Sefalana PROPERTIES

BOTSWANA

Mi
Meybeernick Investments

ZAMBIA

Sz
Sefalana Zambia

Group Managing Director's report
(continued)

Inventory holding

Inventory levels have been actively managed in response to the increased cost of funding. At the year end our holding amounted to P1.6 billion. The Group has grown and optimised on strategically pre-ordering buffer stock only where required to avoid stock-outs in-store.

Administrative expenses

Administrative expenses accounted for 3.4% of revenue compared to 3.5% in the prior year. Careful cost reduction and management of expenditure took place to mitigate the lower GPs generated. Third party supplier cost increases were limited wherever possible. Above average pay increases were awarded to the lower paid staff in the Botswana businesses as we look to increase their overall packages over time. All our staff continue to be paid above the minimum wage, in all our territories. Electricity and other utility costs have increased disproportionately, with additional increases expected in the ensuing year.

Profit before tax and earnings per share (EPS)

PBT of P331m was down 40% on the prior year. EPS of 93 thebe was below that of the prior year of 169 thebe. The effective tax rate for the period was 29% compared to 23% in the prior year. This increase was due to dividend tax incurred on subsidiary dividends declared to the holding company. Dividends paid to the Group's ultimate Shareholders are largely free of tax where the dividends originate from Botswana subsidiaries.

Balance sheet strength

Our net asset position grew to P3.2 billion, up from P2.8 billion at April 2025. The market capitalisation of the Group on 26 April 2026 amounted to P4.0 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.

Cash position

Our cash at the end of April 2026 of P0.7 billion was utilised to settle a large proportion of the amounts due to suppliers of P1.2 billion.

Given the Group's investment in the long-term growth, the business is preserving its cash and avoiding the need to take on expensive borrowing. This will enable the Group to sustain itself during the difficult trading conditions.

Our net asset position grew to P3.2 billion, up from **P2.8 billion at April 2025.** The market capitalisation of the Group on 26 April 2026 amounted **to P4.0 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.**

Employment

We are pleased to report that despite the difficult trading conditions, and a continued focus on strategic growth, our Group has created employment for an additional 100 persons during the last 12 months taking our total number of staff to 8,272. We continue to focus our employment on citizens in all our areas of operation and report under 1% non-citizen employment.

We are pleased to report that despite the difficult trading conditions, and a continued focus on strategic growth, our Group has created employment for an **additional 100 persons during the last 12 months taking our total number of staff to 8,272.**

Segmental Reporting

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

Review of operations

Botswana Business Units – 56% of Group PBT (62% in prior year)

Overall Botswana business units which usually represent around two thirds of our Group results, have generated just over half the Group's profit at P186 million of PBT for the year, compared to P339 million in the prior year. The Botswana economy has experienced the greatest strain.

Trading – consumer goods

Expansion into a wider product range and service offering has been our focus for some time to ensure our customers get what they require. Wherever possible we support and prioritize local producers with favourable trading terms and opportunities to provide entrepreneurs with a reliable and sustainable customer base. Consumers are visiting our stores more frequently than previously but basket sizes have fallen. The consumer is still somewhat cautious and tends to focus more on value packs, necessities, and private label products, rather than luxuries. This has a drawn-out dampening impact on gross margins. The desire for a one-stop shop is very much apparent and we have responded accordingly through range extension which often helps to offset lost margin.

At the end of the year, the Botswana FMCG business consisted of 6 hyper stores ("Sefalana Hyper"), 22 cash and carry stores ("Sefalana Cash & Carry"), 38 supermarket retail stores ("Sefalana Shopper"), 66 liquor stores ("Sefalana Liquor"),

Group Managing Director's report
(continued)

8 convenience stores ("Sefalana Quick"), and 6 fuel stations, giving the Group a total of 146 stores in Botswana. This compares to 135 stores at the April 2025 year end. New stores opened during the period included three Sefalana Shopper stores, six Sefalana Liquor outlets, and two Sefalana Quick stores.

Sefalana Cash & Carry contributed 50% and 34% of the Group's revenue and PBT for the reporting period, respectively.

Trading – others

This segment which primarily consists of Commercial Motors contributed 1% to Group turnover and PBT. This is a relatively small Group segment in line with our focus on the core business of FMCG.

Two years ago the business took on an additional dealership – that of BAIC, a Chinese motor brand. There has been a significant level of interest in this brand due to its competitive pricing and value offering. We look forward to growth in this segment as a result.

Manufacturing

Foods Botswana ("FB") contributed 4% and only 1% to Group turnover and PBT for the year respectively. The profitability of this business is largely dependent on the timing of orders placed by Government in respect of the various feeding schemes and availability of raw materials. In recent years, our focus has been to grow our branded product range to reduce this relative dependence.

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

Milling Division

During the year FB manufactured and successfully supplied the Government tender for the first 26 weeks (half-year), following the award of two-thirds of the national tender in May 2023. We completed the contract (with a four month extended contract) in November 2025. Government did not place any additional orders until June 2026. As a result, FB did not manufacture for Government for the entire second half of the financial year. When this business does not supply Government, it makes a loss or breaks even for that month depending on productivity levels relating to other product lines.

FB has procured most of the grain required to fulfil any orders placed on us, such that the recipients of the Tsabana and Malutu feeding scheme will be able to receive what they are entitled to without delay as soon as the tender is awarded. We are pleased to note that FB was award a three-month interim contract in June 2026. We are hopeful that the full-year tender will be evaluated and awarded immediately after the completion of this contract.

We continue to focus on the manufacture and supply of branded milling products to utilise factory capacity and to create further employment. Growth in this area is positive. The Sechaba range of products continues to be a popular household name and a preferred choice for many shoppers in all areas of Botswana. We have placed considerable effort in building our brands and this has proven to be a successful long-term strategy.

Beverages Division

This division is largely dependent on the manufacture and supply to Government of milk for the children's feeding scheme. We are pleased to report that most of the current tenders have been awarded to us, either directly or indirectly through tenderers. However, there have been delays in the award of some regional tenders due to additional administrative hurdles at the Councils. All orders received during this year were successfully completed and delivered.

Raw material milk shortages in the Region over the last 4-5 years, due to repeated outbreaks of Foot and Mouth Disease (FMD) in South Africa, has resulted in a drop in production volumes and as a result we have not been able to supply the Trade consistently with the required volumes. These challenges had eased momentarily until the outbreak occurred in Botswana during this year. This has adversely impacted our ability to source required volumes of raw milk.

We await further clarity regarding the renewal of Government protection on UHT milk imports, which expired in May 2025. We understand that a final decision on the extension is still pending. The removal of this protection could significantly impact domestic UHT milk producers, potentially leading to job losses and broader economic consequences. We remain hopeful that the policy will be extended, enabling locally manufactured products to continue and remain competitive in the market.

Turnbridge Projects

In 2025 we set up our in-house signage and printing business to support our Group businesses. This is expected to yield a 20% saving compared to what we would typically pay for third party suppliers. There are several store upgrades and refurbishments scheduled over the next five years where these savings will be made. This business works alongside our other subsidiary company, Level 55, to support the new store roll-outs and renovations in Botswana, Namibia and Lesotho. We also service third party customers. This business generated a loss of P3 million for the year, but is expected to break even in the ensuing year. Performance of this business is impacted by the level of store roll-outs across the Group.

Level 55

In 2024 we set up our in-house shop fittings and equipment business to support our new store roll outs, along with our existing store upgrades and refurbishments. We have extended this supply support to our other Group companies including Namibia and Lesotho and also now service third party customers. This business generated a profit of P2 million for the year. Performance of this business is also impacted by the level of store roll outs across the Group.

Properties

Our property portfolio

Our Botswana property portfolio performed well, contributing 1% and 20% to Group revenue and PBT respectively. Almost all properties are tenanted, and leases are in place for periods between two and five years. Most of our properties are self-occupied, and this provides us with the ability to remain in the location indefinitely.

Group Managing Director's report
(continued)

Our Diversification

Metro Namibia

Metro Namibia contributed 36% of revenue and 39% of PBT and is the largest profit centre this year. Turnover amounted to P4.4 billion, a growth of 16% on the prior year. PBT amounted to P129 million. Our operations in Namibia continue to grow as the economy begins to recover from the strain experienced over the last few years. There remains significant pressure on margins largely a result of the competitive pressure in the country and the high unemployment rates. Our customers' disposable income remains directed towards essential products and away from luxury, higher margin products.

This business makes a significant contribution to overall Group results each year. We remain one of the largest FMCG businesses in Namibia. At the start of the year, we had 32 stores across the country. During the year we did not open any new stores.

We continue to look for new suitable locations for further store openings. There are several new stores in the pipeline (of different size and formats) that are dependent on the landlords completing the development of their sites. The recent Oil and Gas findings at the coast are expected to stimulate the economy and support further growth of our business in the coming years.

This business makes a significant contribution to overall Group results each year. We remain one of the largest FMCG businesses in Namibia. **At the start of the year, we had 32 stores across the country. During the year we did not open any new stores.**

Sefalana Lesotho

We have been operating in Lesotho for just over 10 years and the underlying business is performing well. At the start of the year we had five stores across the country located in Maputsoe, Maseru and Mohale's Hoek. During the year we opened one store in Lithabaneng. This recently opened Retail store is performing well and being welcomed by the community. Our total store complement in Lesotho amounted to six. We are exploring other potential sites where we can open additional supermarkets.

Our discussions are on-going with the Revenue Service Lesotho for the settlement of the remaining VAT due to us. This process has taken longer than anticipated, but we have made good progress and expect finality on this by late 2026. For some time now this matter has meant the business has experienced cash flow constraints and has required Group support to assist cash flows during peak times.

Turnover of P1.3 billion has been achieved for the year, with a contribution of 10% to total Group revenue. A PBT of P24 million was generated, moderately down from P28 million in the prior year. This was largely due to the margin pressures arising from a general strain in the economy and reduced consumer spending.

Australian investment

Our investment in Australia (30% associate) continues to generate a positive EBITA and cash. We currently operate nine stores across Brisbane under the Seasons IGA brand.

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

The Group's share of results from this associate for the year amounted to a net loss of P2 million compared to a net loss of P4 million in the prior year.

Our investment in Australia (30% associate) continues to generate a positive EBITA and cash. **We currently operate nine stores across Brisbane under the Seasons IGA brand.**

Prospects

We are pleased to have reported an upward trend in our results over the last two decades with the only exception of the current year and 2017 financial year. It has always been clear to us, that to maintain this long term growth track record, we need to continually be innovative and identify opportunities for expansion. There are several new projects we are pursuing, to support a long-term sustainable profit stream for the Group. We are excited to share some of these new developments with our Shareholders.

i) **Namibian market growth opportunity**
The Namibian market is showing positive trends and outlook. We are looking to expand our presence in the country and are exploring a number of projects. This includes not only FMCG business growth, but other identified sectors where we believe the Group can establish synergies. We look forward to providing further detail to our Shareholders in due course.

Group Managing Director's report
(continued)

ii) Exposure to the South African market

The Group successfully exercised its option to convert our preference share investment into a 30% equity stake in UIH South Africa (UIH) effective from 1 November 2025.

The strike price for the conversion remained aligned with the original investment value of R275 million. The fair value of the equity stake at the April 2025 year and at conversion amounted to R415 million – representing a 51% uplift on the investment. This outcome reflects not only the inherent strength and growth potential of the underlying business but also the Group's disciplined and strategic decision-making. We are proud of the significant value this transaction delivers to our Shareholders. This investment in the short to medium term is expected to contribute towards around 10% of the Group's profit. This year this segment contributed P25 million to PBT representing an 8% contribution to Group results.

UIH is a dominant buying Group in the FMCG sector and owns several supermarkets across South Africa. This investment is expected to provide Sefalana with exposure into the South African FMCG market through a successful business partner.

iii) Store roll-outs across the Group

There are new stores in the pipeline for both Botswana and Namibia. These will be developed as and when the right sites become available. We continue to take a cautious approach, and only open new stores where there is a strong business case to do so. We are looking to increase our petrol station network across Botswana. Wherever possible, local citizen landlords are selected where an annuity rental income stream can be established for the landlord and their family.

iv) Manufacturing activities

The Group intends to expand its manufacturing activities to support its in-store service lines. This will allow the business to enhance its margins and reduce its reliance on third parties. We anticipate being able to provide further details at the half-year.

v) Property developments

As indicated at the half-year, capital expenditure has been deferred until the cost of borrowing normalises. There are a number of other store upgrades and enhancements we would also like to undertake for the long-term sustainable future of the Group. These will be actioned in due course.

Director changes

Mrs Paula Disberry completed her three-year term as Non-Executive Director with the Group on 31 October 2025. The Board would like to thank Mrs Disberry once again for the invaluable support and guidance provided to the Group during her term.

Mr Gerhard Scheepers completed his four-year term as Executive Director with the Group on 31 March 2026. Gerhard was the Sefalana Cash & Carry Chief Executive Officer and originally joined the Group in Lesotho in 2016. The Board would like to thank Mr Scheepers again for his exceptional contribution to the performance of the business unit under his leadership.

On 1 July 2026, Mr Otlaabotsa Tsie was appointed to the Board. Mr Tsie brings over 18 years of progressive leadership in enterprise risk, compliance and governance across various sectors including financial services, oil, and pension funds. He currently serves as Director-Risk & Compliance at the Botswana Public Officers Fund, where he leads risk strategy, governance frameworks and business continuity initiatives.

There were no other changes to Directorships during the year. The Board is satisfied with its composition and skill set.

Shareholder returns and dividends

We are pleased to report that, at our April 2026 year-end, the Group achieved a Return on Capital Employed (ROCE) of 9.4%, calculated as operating profit divided by opening capital employed (total assets less current liabilities).

Our share price appreciated by 7% during the year, closing at P16.00 at the reporting date. This performance reflects continued market confidence in the Group notwithstanding the relatively limited liquidity of our shares. We are encouraged by the ongoing support of our long-term institutional shareholders, many of whom continue to maintain significant holdings in the Company.

On 27 July 2026, the Board of Directors of Sefalana Holding Company Limited carefully considered the prevailing economic environment, the Group's capital requirements, and the need to reinvest in future growth opportunities to ensure the long-term sustainability of the business. Accordingly, the Board resolved to declare a final gross dividend of 20 thebe per share in respect of the reporting year.

The final dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Thursday 27 August 2026 to all Shareholders registered in the books of the Company at the last date of register, being close of business on Monday 17 August 2026, with an ex-dividend date of Thursday 13 August 2026.

Total Shareholder Return (TSR) for the year, comprising share price appreciation and dividends declared, amounted to 8.2%, compared with 31% achieved in the previous financial year. While this represents a more modest return, it reflects the resilience of the Group in a challenging operating environment.

Outlook and recognition

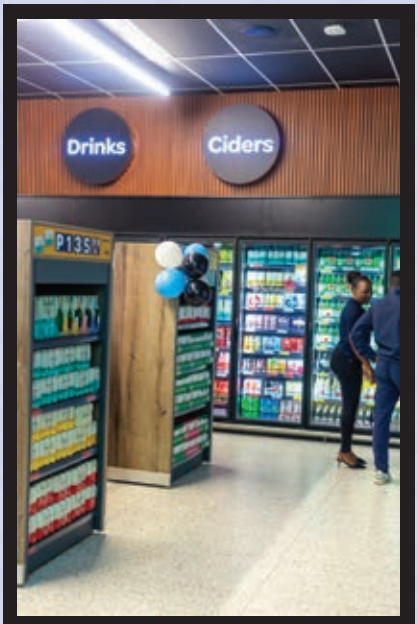
Despite the challenging trading conditions experienced across the region, and particularly within the Botswana market, we remain cautiously optimistic about the future. Encouragingly, both the private and public sectors are actively implementing initiatives aimed at stimulating economic growth and restoring business confidence. We are confident that these collective efforts will, in time, deliver positive outcomes and contribute to a stronger and more resilient economy.

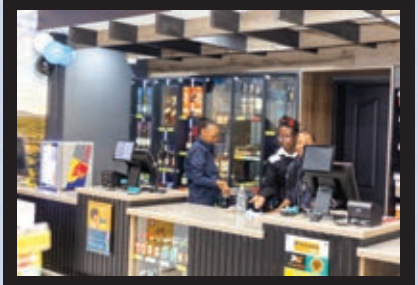
As a proudly Botswana-based group, we remain committed to playing our part in supporting economic development and creating sustainable employment opportunities. We believe that our continued investment in people, infrastructure, and communities will position us well to contribute meaningfully to the country's recovery and long-term prosperity.

We would also like to express our sincere appreciation to our employees across the Sefalana Group. Their dedication, resilience, and unwavering commitment in the face of challenging conditions continue to be the foundation of our success. The perseverance demonstrated by our teams reflects the values that have long distinguished Sefalana in the marketplace.

Together, we remain committed to overcoming current challenges, creating value for our stakeholders, and contributing positively to the communities and economies we serve. We remain confident that, through collaboration and determination, we can be part of the solution and help build a stronger future for all.

CD Chauhan
Group Managing Director

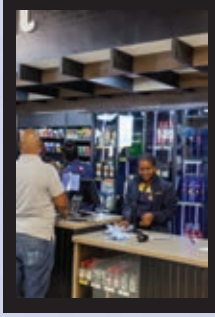


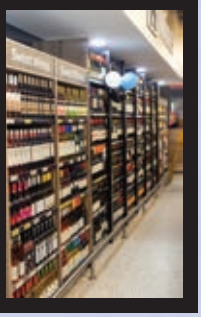


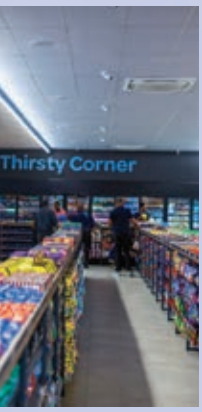
The BIG One

52 years of creating value

Sefalana Liquor - Hillview Mall







Sefalana delivers a **third BIG one store**

Group Finance Director's Report

While the Group recorded its highest turnover in history, profitability declined compared **with the exceptionally strong performance reported in the prior financial year. Profit before tax reduced to P331 million from P550 million in FY2025.**

Net assets increased to approximately **P3.2 billion**, reflecting retained earnings together **with positive foreign currency translation movements arising on the Group's regional operations.**

Our investment philosophy remains unchanged. We continue to evaluate opportunities **based on long-term Shareholder value creation rather than short-term earnings enhancement.**

Trade payables remain an important source of funding within our business model. At year-end, supplier balances exceeded **P1 billion, supported by long-standing relationships with many of the world's leading FMCG suppliers.**

Gross profit amounted to P701 million compared with P793 million in the previous year, representing a reduction in both absolute value and margin percentage.

Botswana experienced a marked slowdown during the financial year following the continued weakness in global diamond demand. **The resulting reduction in foreign exchange inflows affected liquidity across the economy and placed considerable pressure on consumer confidence and business activity.**

The Group's share price **increased by approximately 7% during the financial year from P14.99 to P16.00,** resulting in a Total Shareholder Return (TSR) of approximately 8.2% when combined with dividends declared.

Group Finance Director's Report

Resilience through disciplined financial management

Although profitability declined compared to the previous year, it is important to recognise the context within which these results were achieved.

The Group delivered revenue of P12 billion, the highest reported in our 52-year history,

continued to expand its regional footprint, strengthened its balance sheet, increased net assets to over **P3.2 billion and preserved a healthy liquidity position despite significantly higher funding costs across the market.**

We are proud of what we achieved this year **despite the difficult trading environment.**

Challenging operating environment

The 2026 financial year presented one of the most challenging operating environments our Group has experienced in recent years. Against a backdrop of weakening consumer demand, liquidity constraints across Botswana, increased operating costs and unprecedented pressure on household disposable income, Sefalana remained focused on protecting the long-term strength of the business while continuing to invest selectively in future growth.

The prior financial year included a once-off fair value gain of P102 million arising on the acquisition of our South African preference share investment together with the benefit of a more favourable foreign exchange environment. Excluding these exceptional items, the underlying reduction in Profit Before Tax (PBT) was considerably lower at 19% than the reported overall decline at 40%, and reflects the difficult trading conditions experienced principally within the Botswana market.

From a financial stewardship perspective, Management's priorities throughout the year were clearly communicated to all Group companies:

- preserve liquidity;
- maintain a strong balance sheet;
- manage working capital prudently;
- protect cash generation;
- continue investing in strategically important projects; and
- position the Group to benefit from an eventual recovery in regional economic activity.

These objectives were successfully achieved and leave the Group well positioned to pursue further growth opportunities as economic conditions improve. We are optimistic and look to an increased level of profitability for the ensuing year.

Financial highlights

The Group delivered the following results for the 52-week period ended 26 April 2026:

Revenue	P12 billion	+9% ▲
Net Assets	P3.2 billion	+14% ▲
Gross Profit	P701 million	-12% ▼
Cash Resources	P664 million	Strong
EBITA	P336 million	-39% ▼
ROCE	9.4%	Reflective of lower earnings
Profit Before Tax	P331 million	-40% ▼
Total Shareholder Return	8.2%	Positive
Total Comprehensive Income	P469 million	+6% ▲
Final Dividend	20 t	20 thebe per share Reflective of lower earnings

While these measures reflect a decline in profitability compared with the exceptional performance reported in the previous year, they also demonstrate the resilience of the Group's diversified business model.

The ability to continue generating meaningful profits, strengthening equity and maintaining dividend payments during a period of significant economic stress provides confidence in the underlying quality of our operations.

Group Finance Director's report
(continued)

Despite these headwinds, Botswana remains a fundamentally stable economy supported by sound institutions, prudent fiscal management and significant long-term growth potential. **We remain optimistic that improvements within the diamond industry together with ongoing Government initiatives will gradually restore economic momentum.**

Macroeconomic environment

Botswana

Botswana experienced a marked slowdown during the financial year following the continued weakness in global diamond demand. The resulting reduction in foreign exchange inflows affected liquidity across the economy and placed considerable pressure on consumer confidence and business activity.

Higher borrowing costs, constrained access to credit and reduced disposable income influenced purchasing behaviour throughout the retail sector. Consumers increasingly prioritised essential products over discretionary purchases, creating additional pressure on gross margins across the industry.

The July 2025 adjustment to the Botswana Pula further compounded these challenges. As Botswana remains heavily dependent on imports from South Africa, the weaker currency immediately increased product input costs and resulted in additional costs on the settlement of trade payables. These inflationary pressures were experienced across virtually every sector of the economy.

Despite these headwinds, Botswana remains a fundamentally stable economy supported by sound institutions, prudent fiscal management and significant long-term growth potential. We remain optimistic that improvements within the diamond industry together with ongoing Government initiatives will gradually restore economic momentum.

Namibia

Our Namibian operations once again demonstrated the value of geographic diversification. Although consumer affordability remained under pressure due to inflation and elevated unemployment, the economy continued to exhibit greater resilience than Botswana.

The emerging Oil and Gas industry continues to generate optimism and is expected to stimulate investment, employment and infrastructure development over the medium term. We believe this will create additional opportunities for our business as consumer confidence improves.

Lesotho

Our Lesotho operations continued to perform resiliently despite challenging trading conditions. Continued investment in our store network together with disciplined cost management enabled the business to maintain satisfactory profitability whilst further strengthening our market presence.

Progress continues to be made regarding the recovery of historical VAT receivables, which remains an important objective for improving cash generation within this business unit.

South Africa and Australia

The Group's strategic investments outside its traditional operating territories continue to support long-term diversification.

The conversion of our South African preference share investment into a 30% equity interest provides exposure to one of the region's largest FMCG markets through an established and successful business partner. Although this investment is still in its early stages, it is expected to become an increasingly meaningful contributor to Group earnings over the coming years.

Similarly, our Australian investment continues to generate positive operating cash flows despite the accounting impact of IFRS 16 lease accounting. As these long-term leases mature, reported earnings are expected to improve significantly, supporting the Group's long-term investment strategy.

Financial performance review

1 Revenue growth and market share

Group revenue increased by **9% to P12 billion**, representing the highest turnover recorded in the Company's history.

This growth reflects continued market share gains, disciplined execution by our operating teams and the benefits of our diversified geographic footprint. New store openings, range extensions and continued investment in customer value propositions all contributed positively to revenue growth.

Importantly, turnover growth was achieved in an environment where consumers remained under significant financial pressure. Rather than reducing their frequency of shopping, customers increasingly purchased smaller basket sizes and focused on essential products, value offerings and private-label brands.

From a financial perspective, sustained top-line growth remains one of the Group's most important indicators of long-term competitive strength. Continued revenue expansion creates opportunities to leverage fixed infrastructure, strengthen supplier relationships and generate future operating efficiencies once broader economic conditions improve.

Group Finance Director's report
(continued)

2 Profitability and quality of earnings

The underlying competitiveness of the Group remains intact, while Management continues to focus on initiatives **that will restore profitability as trading conditions normalise.**

While the Group recorded its highest turnover in history, profitability declined compared with the exceptionally strong performance reported in the prior financial year. Profit before tax reduced to P331 million from P550 million in FY2025.

Viewed in isolation, the reported reduction of 40% does not fully reflect the underlying performance of the business. Approximately one-fifth of the year-on-year movement relates to two non-recurring items.

The previous financial year benefited from a once-off fair value gain of P102 million arising on the acquisition of the South African preference share investment at below fair value. As expected, this gain did not recur in the current financial year. In addition, the July 2025 adjustment of the Botswana Pula resulted in approximately P16 million of additional foreign exchange costs on the settlement of imported inventory purchased before the currency adjustment.

Together these items reduced comparability between the two reporting periods by approximately P118 million.

Excluding these once-off items, the Group remained profitable despite operating in one of the most difficult economic environments experienced over the past decade. The remaining reduction in earnings was principally attributable to lower manufacturing profitability arising from the delay in Government feeding scheme tenders, higher electricity tariffs and targeted salary adjustments awarded to lower-income employees.

From a finance perspective, these factors are largely cyclical rather than structural. The underlying competitiveness of the Group remains intact, while Management continues to focus on initiatives that will restore profitability as trading conditions normalise. We are confident that they will.

3 Gross profit and margin management

Customers increasingly prioritised value, promotional offerings **and essential products while reducing expenditure on discretionary categories.**

Gross profit amounted to P701 million compared with P793 million in the previous year, representing a reduction in both absolute value and margin percentage.

Several factors contributed to this outcome.

The weakening of the Botswana Pula increased the landed cost of imported merchandise almost immediately. Although selective selling price increases were implemented where market conditions allowed, the highly competitive retail environment limited the extent to which these additional costs could be recovered from customers.

At the same time, consumer purchasing behaviour continued to evolve. Customers increasingly prioritised value, promotional offerings and essential products while reducing expenditure on discretionary categories. Although this protected sales volumes, it resulted in a less favourable sales mix and consequently diluted gross margins across a number of our operating businesses.

Competitive intensity also remained elevated throughout the Region. As retailers sought to preserve customer traffic, pricing pressure increased, requiring careful balancing between maintaining market share and protecting profitability.

Despite these headwinds, our procurement teams continued to leverage the Group's scale, supplier relationships and strategic sourcing capabilities to minimise cost increases wherever possible. Inventory planning, product mix optimisation and expansion of private-label offerings remain important initiatives that will support future margin improvement.

4 Managing operating expenditure

Administrative expenses represented only 3.4% of revenue, marginally lower **than the previous year despite inflationary pressures across virtually every expenditure category.**

One of the most encouraging aspects of this year's performance was the continued discipline exercised in managing controllable operating costs.

Administrative expenses represented only 3.4% of revenue, marginally lower than the previous year despite inflationary pressures across virtually every expenditure category. This reflects Management's continued focus on cost control, procurement discipline and operational efficiency.

Certain expenditure increases were, however, unavoidable.

Electricity tariffs increased significantly during the year, resulting in approximately P25 million of additional operating costs across the Group. While our investment in solar installations has helped mitigate a portion of these increases, energy costs remain an important area of focus for future capital investment.

The Group implemented above-average salary increases for lower-paid employees within our Botswana operations. These increases, amounting to approximately P14 million, were introduced to assist employees facing increasing cost-of-living pressures.

Although these decisions reduced short-term profitability, the Board and Management remain committed to maintaining fair remuneration practices. Investing in our people continues to support employee engagement, productivity and long-term organisational sustainability.

Group Finance Director's report
(continued)

5 Working capital management

Cash resources at year-end amounted to **P664 million**. Although this balance was lower than supplier obligations, **the Group's liquidity remains sound and appropriate for the scale of our operations.**

Maintaining a strong liquidity position remained one of Management's highest priorities during the year.

The deterioration in liquidity within the Botswana economy, coupled with elevated borrowing costs, reinforced the importance of disciplined working capital management. Throughout the year we focused on preserving cash resources, carefully managing inventory levels and maintaining strong relationships with our supplier base.

Inventory closed the year at approximately P1.6 billion. While this remains a significant investment, stock holdings continue to reflect the operational realities of the Group's diversified business model. Strategic inventory positions reduce the risk of stock shortages, strengthen supplier relationships and enable the Group to respond quickly to customer demand.

Trade payables remain an important source of funding within our business model. At year-end, supplier balances exceeded P1 billion, supported by long-standing relationships with many of the world's leading FMCG suppliers. The Group continues to honour its obligations responsibly while carefully managing cash conversion cycles. Our policy has always been to ensure suppliers are paid on time.

Cash resources at year-end amounted to P664 million. Although this balance was lower than supplier obligations, the Group's liquidity remains sound and appropriate for the scale of our operations. Management deliberately prioritised cash preservation during the year, recognising the uncertainty surrounding the broader economic environment and the increasing cost of external financing.

This prudent approach has enabled the Group to continue funding selective expansion opportunities such as new store openings, internally while avoiding unnecessary reliance on expensive short-term borrowings.

6 Balance sheet strength

Net assets increased to approximately P3.2 billion, reflecting retained earnings together with **positive foreign currency translation movements arising on the Group's regional operations.**

Notwithstanding the reduction in earnings, the Group's financial position strengthened further during the year.

Net assets increased to approximately P3.2 billion, reflecting retained earnings together with positive foreign currency translation movements arising on the Group's regional operations. This continued growth in Shareholders' equity provides a strong platform from which the Group can pursue future investment opportunities while maintaining financial resilience.

The Group continues to maintain a conservative capital structure with sufficient financial flexibility to withstand periods of economic uncertainty. Our disciplined approach to capital management ensures that investment decisions remain focused on projects capable of generating attractive long-term returns while preserving an appropriate level of liquidity.

The Board remains committed to maintaining a balance sheet capable of supporting both sustainable growth and attractive Shareholder returns over the medium and long term.

7 Capital allocation and financial stewardship

Our investment philosophy remains unchanged. We continue to evaluate opportunities **based on long-term Shareholder value creation rather than short-term earnings enhancement.**

One of the Group's primary responsibilities is to ensure that capital is allocated efficiently whilst maintaining sufficient financial flexibility to support future growth. During periods of economic uncertainty, this discipline becomes even more important.

Throughout FY2026, the Group adopted a cautious approach to capital deployment. Investment decisions were carefully prioritised, balancing opportunities for expansion against the need to preserve liquidity and maintain a resilient balance sheet. Certain capital projects were put on hold.

While a number of strategic capital projects remain under consideration, only those expected to generate attractive long-term returns or deliver meaningful operational efficiencies have progressed. This disciplined approach has enabled the Group to continue strengthening its competitive position without compromising its financial stability.

Our investment philosophy remains unchanged. We continue to evaluate opportunities based on long-term Shareholder value creation rather than short-term earnings enhancement.

The successful conversion of our South African preference share investment into a 30% equity interest represents an excellent example of this strategy. The investment provides exposure to one of the largest FMCG markets in the region through an established and well-managed business. We expect this investment to become an increasingly meaningful contributor to Group profitability over the coming years while also creating opportunities for broader strategic collaboration.

Similarly, our continued investment in new stores, manufacturing capability, digital infrastructure and regional expansion reflects our confidence in the long-term prospects of the Group.

Group Finance Director's report
(continued)

8 **Returns to our Shareholders**

Despite the decline in reported profitability, the Group continues **to generate satisfactory returns for Shareholders while maintaining a strong capital base.**

9 **ROCE**

Return on Capital Employed (ROCE) reduced to **9.4%** compared with the **exceptionally strong performance achieved in the previous year.**

Return on Capital Employed (ROCE) reduced to 9.4% compared with the exceptionally strong performance achieved in the previous year. While this reduction is reflective of lower operating earnings, it should also be viewed in the context of continued investment in strategic assets that are expected to generate returns over many years.

10 **Dividends**

The Group will pay a final dividend of **20 thebe per share.**

The Group will pay a final dividend of 20 thebe per share. This decision reflects an appropriate balance between rewarding Shareholders for their continued support and retaining sufficient capital to fund future growth opportunities.

11 Share price and TSR

Over many years, Sefalana has consistently sought to balance **dividend distributions with disciplined reinvestment into the business.**

The Group's share price increased by approximately 7% during the financial year from P14.99 to P16.00, resulting in a Total Shareholder Return (TSR) of approximately 8.2% when combined with dividends declared. Although below the exceptional returns achieved in recent years, this performance demonstrates continued investor confidence in the long-term fundamentals of the business.

Over many years, Sefalana has consistently sought to balance dividend distributions with disciplined reinvestment into the business. We believe this approach has been instrumental in delivering sustainable long-term value creation for our Shareholders. This is what our Shareholders have become accustomed to with Sefalana, and this is what we aspire to continue to deliver on.

12 Leveraging technology to improve financial performance

Despite the decline in reported profitability, the Group continues **to generate satisfactory returns for Shareholders while maintaining a strong capital base.**

Technology continues to play an increasingly important role in strengthening financial performance, operational efficiency and decision-making across the Group.

Our continued investment in data analytics has enhanced Management's ability to monitor business performance in near real time, identify trends more quickly and support evidence-based decision making. The integration of operational and financial information across our businesses has improved visibility throughout the organisation and strengthened performance management.

Artificial Intelligence (AI) represents one of the most significant opportunities for improving productivity over the coming decade. During the year, we continued to advance our governance framework around AI and digital innovation through the Group's AI Steering Committee.

We are evaluating a number of initiatives across finance, procurement, inventory optimisation, forecasting, pricing, customer analytics and administrative processes. While many of these projects remain in the early stages of development, we believe they have the potential to improve efficiency, reduce costs and enhance decision-making across the Group.

Technology is not viewed simply as an operational support function but as a strategic enabler of future growth.

Group Finance Director's report
(continued)

13 Managing financial risk

Operational risks including supply chain disruption, energy costs, cyber security, **regulatory developments and Government procurement remain subject to continuous monitoring.**

The operating environment experienced during FY2026 reinforced the importance of maintaining a comprehensive financial risk management framework.

Foreign exchange volatility remains one of the most significant risks facing the Group. Given our extensive regional operations and reliance on imported merchandise, movements in exchange rates can materially influence both profitability and working capital requirements.

The July 2025 Botswana Pula adjustment highlighted the speed with which currency movements can impact operating results. Management continues to review procurement strategies, supplier arrangements and inventory planning to minimise unnecessary foreign exchange exposure wherever practical.

Interest rate risk also remains elevated. Higher borrowing costs across the Region have increased the cost of capital for both consumers and businesses. The Group's strong liquidity position and conservative capital structure reduce our reliance on external debt and provide valuable flexibility during periods of higher interest rates.

Operational risks including supply chain disruption, energy costs, cyber security, regulatory developments and Government procurement remain subject to continuous monitoring. We regularly review our enterprise risk management framework to ensure emerging risks are identified early and appropriate mitigation strategies are implemented.

Looking ahead

Although the current economic environment remains challenging, Management remains cautiously optimistic regarding the Group's prospects. We are particularly focused on our Diversification strategy and will place significant focus on the Namibian market.

Our business enters the new financial year from a position of considerable financial strength. The balance sheet remains robust, liquidity is healthy, our regional diversification continues to reduce earnings volatility and several strategic initiatives are expected to contribute positively to future profitability.

Encouragingly, the interim Government manufacturing contracts awarded shortly after year-end are expected to improve utilisation within our manufacturing operations. Continued growth in Namibia, increasing contributions from our South African investment and further optimisation across our retail businesses should also support improved financial performance over the medium term.

Our priorities for FY2027 will include:

- progressing our Diversification strategy with particular focus on the Namibian market;
- improving gross margin through procurement optimisation and product mix management;
- maintaining disciplined cost control while investing in our people;
- preserving strong cash generation and working capital discipline;
- selectively expanding our store network in attractive locations;
- increasing investment in manufacturing and value-added product offerings;
- accelerating digital transformation and AI initiatives across the Group; and
- identifying strategic investment opportunities capable of delivering sustainable long-term returns.

While external conditions may remain uncertain for some time, we believe the Group is exceptionally well positioned to benefit when economic conditions improve.

Our people make the Group what it is

The achievements of the past year would not have been possible without the commitment, resilience and professionalism demonstrated by our employees across all territories in which we operate.

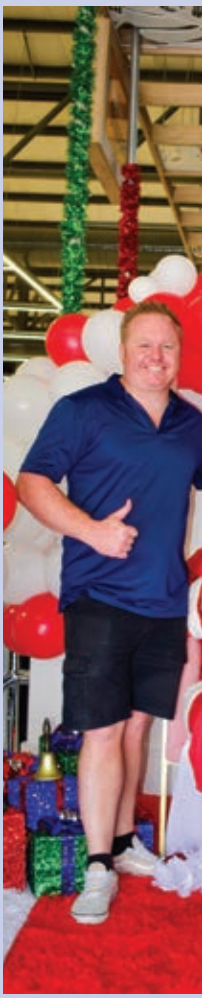
I would like to extend my sincere appreciation to our Board of Directors for their continued guidance, to my fellow Executive Committee members for their leadership and to every employee across the Group for their dedication during what has undoubtedly been a demanding year.

I also thank our Shareholders, Customers, Suppliers, Bankers and Business Partners for their continued trust and support.

Over the past five decades Sefalana has successfully navigated numerous economic cycles by remaining disciplined, adaptable and focused on creating long-term value. I remain confident that these same qualities will continue to underpin the Group's success in the years ahead.

Mohamed Osman
Group Finance Director

Sefalana - supporting
a sport-loving nation



Celebrating a decade of meaningful impact

Sefalana Cash & Carry Lesotho turns 10

Reflecting a journey of meaningful impact rooted in community upliftment, responsible practices and sustained social investment

The Sefalana Cash & Carry Lesotho are celebrating 10th anniversary this year but the decade marks not just business success, it is reflecting on ten years of meaningful impact rooted in community upliftment, responsible practices, and sustained social investment.

From championing waste management initiatives to supporting local sport, empowering vulnerable groups, and fostering partnerships, the retailer has built a legacy that goes beyond the shop floor, positioning itself as a company deeply committed to the wellbeing of Basotho.

The celebrating is also honouring a journey defined by its Sefalana Cash & Carry values in; Botho (humility), integrity, innovation, commitment, transparency and high expectations.

Sefalana is committed and has always been proud of its strong governance culture and has increasingly focused on Environmental, Social, and Governance (ESG) principles as part of its corporate strategy.

Strategy cycle 2026-2030:
Navigating a changing environment

In our first year of our latest strategy cycle, we find ourselves operating in a **more challenging and uncertain environment than initially anticipated.**

While our ambition at the onset of this cycle was to accelerate growth and expand our footprint, a combination of economic pressures has required us to adopt a more measured approach in the near term.

In response, we have taken a prudent decision to recalibrate certain priorities and adjust the pace of execution where necessary. This may result in temporary deviation from aspects of our original strategy plan. However, this approach is firmly aimed at protecting the strength and resilience of the business.

As demonstrated during the previous strategy cycle where we successfully navigated the disruption caused by COVID 19,

we remain confident in our ability to adapt while staying aligned to our long-term objectives. A dedicated strategy review session scheduled for later in the year, will provide an opportunity to reassess the operating environment and ensure that we remain appropriately positioned to deliver on our strategic ambitions.

Our strategy continues to focus on delivering sustainable growth through innovation, operational excellence and consumer focus; supporting continued transformation across the business. We remain committed to delivering enduring stakeholder value and are confident that this approach will support our success in an increasingly dynamic and challenging operating environment.

Technology and innovation continue to play a central role in our strategy. Beyond enabling efficiencies, our focus is increasingly on leveraging data and analytics to support more informed decision making, **enhance customer insights and optimize supply chain performance. As digital adoption accelerates, our ability to embed these capabilities across the business will be key to maintaining competitiveness and driving future performance.**

The advancement of our human capital remains a key priority for the Board, with continued investment in developing our people while attracting the skills and capabilities required to support future focused growth.

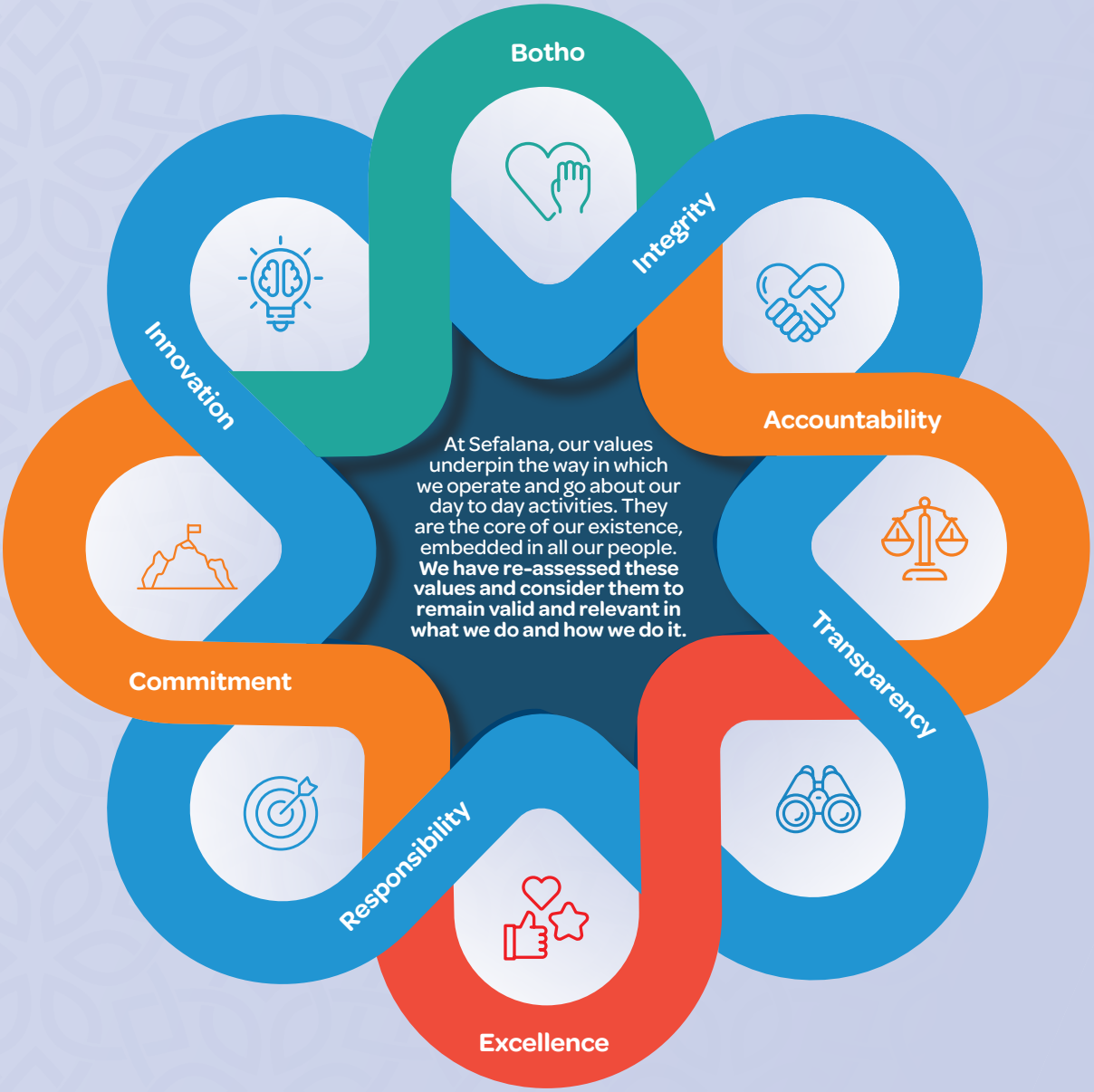
Driving our ambitions forward is an unwavering strategic intent to be a diversified regional group that delivers superior stakeholder value while growing locally and regionally. The emphasis being on empowering our people, pursuing excellence through innovation and exceeding customer expectations, all while striving to be a leader in sustainability within our industries.

This year, we have strengthened our commitment to sustainability by continuing to make ESG an integral part of how we operate and make decisions. From day- to- day processes to strategic objectives, sustainable practices now shape the way we create value, drive innovation and deliver lasting impact for our stakeholders.

Our balanced scorecard continues to guide our focus and execution across key areas of the business.

Below is a summary of our strategic objectives for 2026-2030. This will be reviewed, re-assessed and updated in late 2026 in response to the recent macro-economic changes being experienced across the Region and globally.

Our Values



Our Mission...

Our Mission is aligned with our core values as we work tirelessly to deliver a basket, filled with opportunities to our stakeholders.

Exceeding our customer expectations through provision of a pleasant and affordable experience in FMCG, Manufacturing, Automotive and Property, **served by highly motivated and empowered staff, delivering superior stakeholder value that exhibits profitability and sustainability.**

Botho

Being respectful, **having humility towards others** and conducting one's self in a dignified manner

Integrity

Doing what is right **at all times**

Accountability

Accepting **responsibility** for our own and our team's **actions and decisions** towards our stakeholders

Transparency

Allowing **interactive communication** and open access to information

Excellence

Exceeding **expectations**

Responsibility

Securing and sustaining the future of Sefalana **and the countries in which we operate; by actively taking part in acts of social responsibility and environmental considerations**

Commitment

Devotion, adherence as well as loyalty to the organisation and its mandate. It is a reciprocal exchange between Sefalana and its stakeholders The willingness to give one's time and energy consistently

Innovation

Actively seeking and sharing **solutions and creative ideas** towards growing Sefalana

At Sefalana, our values underpin the way in **which we operate and go about our day to day activities.**

Sustainability and ESG report

ESG - our commitment to responsible growth

In today's business environment, expectations of companies continue to evolve.

Investors, customers, regulators and communities are placing greater emphasis not only on financial performance, but on how that performance is achieved. Environmental, Social and Governance (ESG) considerations are now central to long-term value creation, resilience and responsible growth.

At Sefalana these expectations are not new. While ESG as a formal framework has gained prominence in recent years, the principles that underpin it have been embedded in how we operate for many years.

Since opening doors in 1974,

the Group has built its business on a foundation of responsible conduct, community support and a commitment to operating sustainability within the environments and communities in which we are privileged to serve.

What has changed is not our philosophy, but the way in which we measure and report on these efforts. As ESG continues to mature globally there is increasing emphasis on transparency, consistency and accountability. We embrace this shift; strengthening our approach to ensure that our longstanding practices are supported by clear frameworks, measurable targets and more structured reporting.

For Sefalana sustainability is not a parallel agenda, it is embedded in our strategy and day to day operations. **It is about ensuring that we continue to create value over the long-term while balancing the interests of all our stakeholders.**

Our commitment to responsible growth is reflected in the role we play across our markets. This includes contributing to national development through taxation, supporting local economies and suppliers, creating meaningful employment opportunities and investing in community initiatives that improve livelihoods. These are not standalone activities but part of an integrated approach to doing business responsibly.

Our ESG journey

Sefalana's ESG journey reflects both a long-standing commitment to responsible business practices and a more deliberate transition towards structured, measurable and transparent sustainability reporting.

While the principles underpinning ESG have guided our operations since inception, the Sefalana Group formally embarked on an ESG enhancement initiative in 2023 with the objective of:

- aligning our practices with globally recognised standards;
- strengthening our reporting capabilities; and
- ensuring that our sustainability efforts are consistently measured, monitored and communicated.

The initial phase focused on establishing a formal ESG framework followed by the identification of key focus areas most relevant to our business. This was complemented by the development of measurable metrics and targets, providing a clear foundation for tracking performance and driving accountability.

As part of this evolution the Group worked closely with a local citizen consulting partner during the prior year to reassess its ESG focus areas. The original 17 focus areas were consolidated into nine broader thematic categories to enhance clarity, align further with our strategic priorities and improve the overall effectiveness of monitoring and reporting; while ensuring that all original focus areas remain appropriately represented.

The Group has since progressed from framework development towards implementation, integration and performance tracking. ESG considerations are increasingly embedded into operational and strategic decision-making processes across business units with growing emphasis placed on monitoring outcomes against established targets and ensuring consistency in reporting. This marks an important step in moving **from framework development to demonstrating measurable impact.**

Importantly ESG at Sefalana remains a collective effort. Each business unit plays a role in driving the Group's sustainability agenda while maintaining alignment with overarching Group priorities and reporting requirements.

In 2021, the Group adopted 13 of the 17 United Nations Sustainable Development Goals (SDGs) as part of its corporate social responsibility framework. **These continue to serve as a guiding reference point, ensuring that our initiatives remain aligned with broader global development priorities particularly within the markets in which we operate.**

Sustainability and ESG report
(continued)

Historically the Group's sustainability efforts were structured around four community and development focused pillars aligned to 13 of the 17 United Nations Sustainable Development Goals. **In recent years these have evolved into the three Environmental, Social and Governance pillars that are consistent with globally recognised ESG measurement methodologies including MSCI ESG metrics.**

Frameworks and reporting alignment

The sustainability reporting landscape continues to evolve rapidly with increasing emphasis on consistency, comparability and transparency across markets. Regulators, investors and other stakeholders are placing greater focus on the use of recognised frameworks to ensure that ESG disclosures are meaningful and aligned with global best practices.

Against this backdrop, Sefalana has taken a proactive approach in shaping its ESG reporting framework. While the Botswana Stock Exchange introduced Sustainability Disclosure Requirements for listed entities in the previous year, the Group had already undertaken a benchmarking exercise against leading international frameworks and peer organisations to determine the most relevant and practical approach for its operations.

The Botswana Stock Exchange Sustainability Disclosure Requirements have been fully considered in shaping the Group's ESG reporting approach. We are pleased to note that our existing framework remains largely aligned with these requirements, positioning the Group well as local regulatory expectations continue to develop.

Historically the Group's sustainability efforts were structured around four community and development focused pillars aligned to 13 of the 17 United Nations Sustainable Development Goals. In recent years these have evolved into the three Environmental, Social and Governance pillars that are consistent with globally recognised ESG measurement methodologies including MSCI ESG metrics.

As part of this evolution, the Group adopted the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) standards as the primary frameworks to guide its ESG activities and reporting.

In addition, the Group continues to incorporate elements of the Task Force on Climate-related Financial Disclosures (TCFD) particularly in relation to climate risk, governance and transparency, ensuring alignment with changing global expectations around climate related reporting.

As global ESG reporting continues to move towards greater standardisation including the convergence of frameworks and increasing regulatory oversight, the Group remains focused on enhancing the quality and relevance of its disclosures. Our approach is to remain adaptive, ensuring that our reporting continues to mature in line with both regulatory developments and stakeholder expectations.

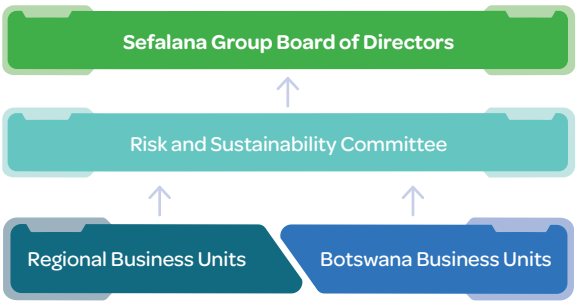
ESG Governing structures

In recognition of the increasing importance of ESG considerations in long-term value creation and risk management, the Group continues to strengthen its governance structures to ensure appropriate oversight and accountability.

During the prior year the ESG Steering Committee was formally integrated into the Risk and Sustainability Committee. This structure remains in place and continues to provide a unified platform for the oversight of ESG matters ensuring alignment between sustainability priorities, risk management and the Group's broader strategic objectives.

The Risk and Sustainability Committee is responsible for monitoring the Group's ESG performance, reviewing progress against established targets and providing guidance on key sustainability initiatives. This includes oversight of ESG-related risks and opportunities as well as ensuring that appropriate policies, frameworks and controls are in place across the organisation.

ESG Governing Structures



During the year, the Group continued to advance its ESG approach across operations, **building on the framework developments and strategic refinements undertaken in prior years.**

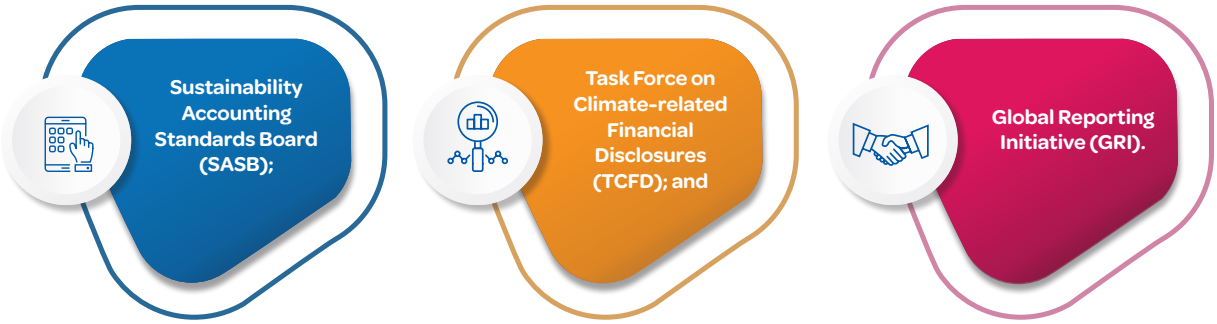
At an operational level the responsibility for ESG implementation is embedded within the various business units reflecting the decentralized nature of the Group's operations. Management teams are accountable for executing ESG initiatives within their respective areas in line with Group-wide objectives and reporting requirements.

This governance approach reinforces accountability at all levels of the organisation and supports the integration of ESG considerations into day-to-day decision-making processes. It also ensures that sustainability remains a key consideration in the Group's strategic planning and operational activities.

Progress during the year

During the year, the Group continued to advance its ESG approach across operations, building on the framework developments and strategic refinements undertaken in prior years.

This included benchmarking our ESG performance against industry peers locally and regionally, while further aligning reporting practices with internationally recognised standards such as:



Further progress was made in embedding the Group's ESG framework across all business units, increasing alignment between sustainability objectives, business activities and strategic planning processes.

Emphasis was placed on improving the quality and consistency of ESG data across the Group, recognising that reliable data remains fundamental to effective decision making and meaningful reporting. Enhancements in data collection and internal reporting processes improved the Group's ability to track progress against established metrics and targets while also supporting more

Sustainability and ESG report
(continued)

In the prior year the Group reported on 12 of the 17 identified ESG KPIs, with disclosures focused largely on six of the nine ESG themes within the Social and Governance pillars.

In the current year KPI coverage increased to 14 of the 17 identified ESG KPIs. This contributed to the expansion of ESG theme coverage from six to eight themes through the inclusion of Water Stewardship and Waste Management within the Environmental pillar.

informed management oversight. These improvements also contributed to measurable progress in the scope of the Group's ESG disclosures.

The inclusion of Water Stewardship reflects the Group's growing recognition of the importance of responsible water usage across retail, manufacturing and food production operations where water is a key operational resource. Focus has therefore been placed on monitoring consumption patterns and encouraging more responsible usage across the business.

Further advances were made in the area of Waste Management, with several subsidiaries strengthening recycling and waste separation initiatives during the year. Operations across the Group work closely with local recycling partners in support of the collection, recycling and responsible disposal of packaging and other waste materials; supporting more sustainable operational practices.

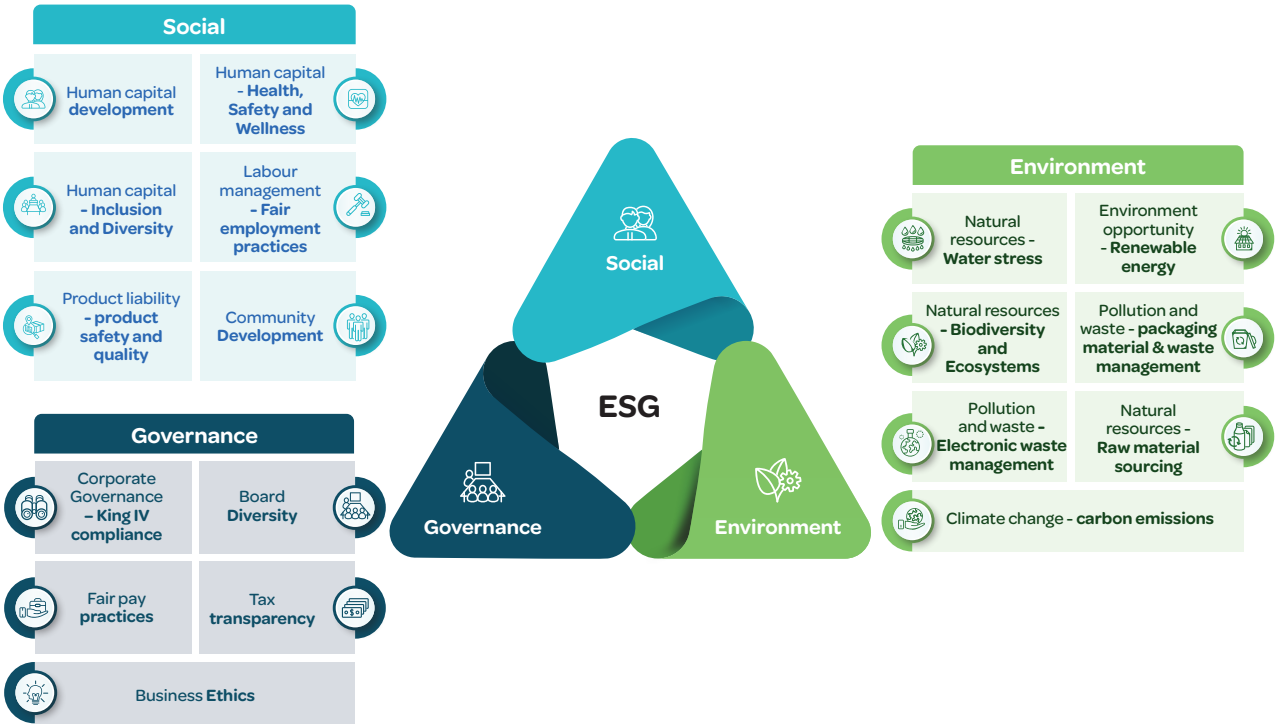
Across the Group, business units actively contributed to ESG priorities through a range of environmental and social initiatives. These efforts, detailed in the sections that follow, demonstrate the practical application of the Group's ESG framework and reflect the combined impact of teams across all geographies.

Collectively, these developments reflect stronger internal reporting processes and integrating sustainability considerations more deeply within the business. While there is still work to be done, the steady expansion in both ESG theme and KPI coverage demonstrates the Group's ongoing commitment to improving the completeness and consistency of its ESG disclosures and practices over time.

"Our ESG Journey" timeline

Addressing the E, the S and the G

Through the Risk and Sustainability Committee, we have identified a number of priority areas across Environmental, Social and Governance (ESG) dimensions. These focus areas guide our efforts and ensure a structured, coordinated approach to sustainability across the organization.



Driving local sourcing and agricultural development

The Group is committed to supporting local farmers and suppliers through procurement practices that prioritise locally sourced products and development of long-term supplier relationships. These partnerships contribute towards local economic participation, agricultural sustainability, food security and the growth and resilience of local enterprise within the markets in which we operate.

Sustainability and ESG report
(continued)

Sefalana Fresh Produce
A Sefalana Group Company

Our Fresh Produce business works closely with local farmers to build a reliable and sustainable supply chain. During the 2026 financial year, SFP sourced fresh produce from 1,267 local farmers, with total purchases exceeding P100 million. This reflects a continued and meaningful investment in local agricultural development and supplier growth.

Each year, SFP partners with around 30 large-scale farmers and more than 600 small-scale farmers across our markets. To help reduce risk and improve stability, farmers are engaged early in the production cycle to develop cropping plans that are aligned with market demand. Once these plans are agreed, SFP commits to taking up the planned volumes, giving farmers greater certainty and more predictable income.

Small-scale farmers are supported through a decentralised supply model, which allows them to deliver directly to nearby stores. This makes it easier for them to access the market, reduces logistical challenges and supports participation by emerging producers.

For the long-standing large-scale farming partners, there are contract farming arrangements, which may include targeted financial support where needed to help maintain production and ensure continuity of supply.

Foods Botswana Milling prioritises local grain procurement and where supply is available, sources 100% of its grain requirements locally. In the current financial year, approximately 13,000 metric tonnes of locally grown sorghum were procured from farmers in Pandamatenga, fully meeting operational requirements for the year. Suppliers included both commercial and small-scale farmers, reflecting the business' inclusive approach to supporting agricultural producers across different scales.

The business also implemented a special funding initiative through a P2 million production advance to a local maize farmer to support production capacity. The arrangement resulted in 66% of the agreed maize supply being delivered, demonstrating the potential of structured financing mechanisms to enhance local agricultural output and supplier capability.

Foods Botswana Milling
A Sefalana Group Company

The business also implemented a special funding initiative **through a P2 million production advance to a local maize farmer to support production capacity.**

Foods Botswana Beverages
A Sefalana Group Company

Foods Botswana Beverages continues to support the local dairy industry through raw milk procurement valued at approximately P13 million during the year.

Metro Namibia support local fruit and vegetable farmers through formal procurement arrangements and take-off agreements that provide producers with reliable market access, subject to required quality and food safety standards being met. Between May 2025 and February 2026, purchases from local Namibian farmers amounted to approximately N$4.35 million, representing 8% of total fruit and vegetable purchases during the period. These arrangements contribute to strengthening local agricultural supply chains and advancing food security objectives within Namibia.

Metro

Turnbridge PROJECTS

Turnbridge Projects also prioritises local procurement, with approximately 77% of total purchases sourced from Botswana-based suppliers during the year. **This reflects the business's ongoing commitment to supporting local enterprise and supplier development.**

Sustainability and ESG report
(continued)

1 Environmental

Our approach is guided by a commitment to ensuring that all our operations adopt responsible and sustainable practices that create value not only for our Shareholders and employees but also for the broader community and environment.

We recognise that our operations by their nature, have the potential to impact the environment. Key areas of exposure include carbon emissions from our delivery fleet, electricity consumption across our stores and facilities and the use of materials such as plastics which have broader implications for waste management and biodiversity. We remain conscious of these impacts and take a proactive approach to managing our environmental footprint. Sefalana is focused on fostering a culture of environmental awareness and stewardship across the Group, supported by practical and measurable actions aimed at reducing our impact over time.

Our approach is guided by a commitment to ensuring that all our operations adopt responsible and sustainable practices that create value not only for our Shareholders and employees but also for the broader community and environment. This includes a clear focus on improving energy efficiency, managing water usage, reducing emissions and minimising and recycling waste.

These efforts are supported by strong leadership and alignment at both Board and business unit level, underpinned by the following core principles:

- **We comply** with all relevant environmental laws, regulations, and local standards;
- **We identify** the key environmental issues linked to our operations and put in place targeted strategies to address them;
- **We promote** awareness across the Group, providing training and encouraging teams to lead by example;
- **We set goals** where necessary, and track our progress over time;
- **We monitor** compliance with applicable legislation and regulations; and regularly assess our performance against any targets we have set;
- **We stay informed** about developments in environmental control and technologies relevant to our operations; and
- **We position** sustainability and environmental management as a strategic priority.

The Group has implemented a range of environmental initiatives across its operations, reflecting the practical application of these principles. Selected examples are outlined below.

a[1] Natural resources - Water stress

In Botswana, where water remains a scarce and highly valued resource due to the country's dry **climate conditions, the efficient management and conservation of water is especially important.**

Responsible water management is an increasingly important sustainability consideration, particularly as climate change and growing water stress continue to place pressure on natural resources and public infrastructure. Rising temperatures, changing rainfall patterns and prolonged drought conditions across many regions are increasing the need for efficient and responsible water use.

Across our operations, efforts remain focused on improving water efficiency, reducing unnecessary consumption and identifying opportunities for water reuse where practical.

At Foods Botswana Beverages, our milk manufacturing plant, water recovery and reuse initiatives have been implemented, with approximately 30% of uncontaminated water being returned to the main water tanks for reuse within operations. Plans are in place to further increase this recovery rate to 50% during the 2026/27 financial year, supporting improved water efficiency and reduced reliance on municipal supply.

Similarly, the Foods Botswana Milling division continues to utilize a borehole system that supplies water to the facility's toilets and fire hydrants, helping to reduce reliance on public water supply and helping to manage water costs.

At Commercial Motors recycled water is utilised in wash bay operations, contributing towards more responsible water usage within workshop activities.

b[1] Natural resources - Biodiversity and ecosystems

At present, Sefalana does not operate any sites located within or immediately adjacent to areas classified as having high biodiversity sensitivity or protected ecosystem status. However, the Group remains mindful of the potential environmental impacts associated with future expansion and development activities.

Where future operations may present potential biodiversity or ecosystem-related impacts, the Group is committed to undertaking the necessary assessments and implementing appropriate mitigation, rehabilitation and environmental management measures.

Sustainability and ESG report
(continued)

C1 Environment opportunity - **Renewable energy**

In Lesotho, energy efficiency remains an important area of focus. Stores utilise energy-efficient LED lighting, LED gondola screens and modern refrigeration systems designed to reduce electricity consumption. **In addition, the business is exploring future solar solutions for warehouses and retail branches as part of ongoing efforts to reduce reliance on grid electricity and support cleaner energy usage over the longer term.**

The transition towards cleaner and more sustainable energy sources remains an important component of the Group's broader environmental strategy. Across our operations, ongoing investment in renewable energy and energy efficient technologies is helping to reduce reliance on conventional grid electricity, lower operating costs and minimise carbon emissions.

During the year, further progress was made in expanding renewable energy initiatives across several business units. Metro Namibia further advanced its solar energy program with solar panels now installed across 15 buildings, covering 17 stores and the Head office. This initiative forms part of Metros's long term commitment to reducing its carbon footprint and promoting responsible energy management while also delivering meaningful operational savings.

Complementing these efforts, Metro also replaced grid powered uninterrupted power supply (UPS) systems with solar powered UPS units during the year. This transition reduces reliance on fossil fuel-based electricity and supports improved energy resilience across operations.

In Botswana, Foods Botswana Beverages expanded its renewable energy capacity through enhancements to its existing solar infrastructure. The increased solar generation capacity has reduced dependence on grid electricity during daylight hours while also creating opportunities for excess power to be fed back into the national grid.

Foods Botswana Beverages also completed the replacement of lighting across its operations with energy-efficient LED systems, contributing to a notable reduction in electricity consumption. Boiler burner optimisation initiatives were additionally undertaken to improve diesel efficiency and reduce fuel consumption within production processes.

At Foods Botswana Milling and Commercial Motors, solar-powered external lighting installations were introduced to improve energy efficiency, reduce electricity costs and provide reliable lighting solutions with lower environmental impact.

Looking ahead, the Group intends to further reinforce its renewable energy strategy through the development of a more structured energy transition plan. This will include clearer targets, measurable implementation timelines and an enhanced approach to monitoring progress as part of the Group's broader long-term sustainability objectives.

d[1] Pollution and waste - Packaging material & waste management

As sustainability considerations continue to evolve globally, increasing emphasis is being placed on circular economy principles, waste diversion and responsible disposal practices. Efforts remain focused on improving waste segregation, improving recycling initiatives and identifying practical opportunities to repurpose waste materials wherever possible.

Across operations in Botswana, Namibia and Lesotho, the Group works closely with local recycling partners to support the responsible management of plastic, cardboard, paper and other packaging materials. Recycling initiatives have continued to expand across business units with waste separation and collection processes helping to improve recycling rates, reduce landfill disposal and promote more sustainable day-to-day operations.

At Foods Botswana Beverages, a compactor was introduced to improve the recycling of paper waste generated within factory operations while plastic, cardboard and tetra packaging materials are recycled through external recycling partners. These initiatives have significantly reduced waste disposal volumes and contributed towards improved waste management efficiency.

Metro enhanced its recycling programme through the separation of plastic, cardboard and paper waste at source with materials collected for recycling by approved service providers. This initiative contributed to reducing the volume of waste sent to the landfill.

Similar recycling initiatives are implemented across other business units, including Sefalana Fresh Produce where used cardboard and plastic packaging materials are handed over to recycling companies for further processing.

The Group promotes circular economy practices through initiatives that repurpose waste materials for productive use. Foods Botswana Beverages recycles discarded milk by supplying it to local farmers for use as animal feed, while discarded produce waste from the fresh produce division is similarly repurposed to support the agricultural community.

Foods Botswana Milling sells metal waste to scrap companies for recycling, helping conserve valuable resources and minimise environmental impact. In addition, old materials, equipment and parts are periodically disposed of through auction processes, supporting responsible housekeeping and encouraging the principles of reuse and recycling.

The Group recognises the importance of effectively **managing hazardous and controlled waste streams.**

Additional recycling initiatives during the year included the collection and recycling of used cooking oil generated within Metro service departments. The oil was collected and processed by licensed service providers for reuse, helping to prevent improper disposal into drainage systems or landfill sites.

During the year, approximately **7,100 litres** of used cooking oil were disposed of through approved recycling channels.

Turnbridge Projects (our printing and signage company) advanced its paper recycling initiatives with a total of **7,391 kilograms** of paper recycled during the year, most of which is processed into tissue paper products by third party recyclers.

At Commercial Motors, waste oil generated through vehicle servicing is collected through a centralised suction system, securely stored and managed by approved waste oil collection companies to ensure safe recycling and disposal.

Metro introduced wet waste disposal systems at selected stores with service departments to support safer waste handling practices and minimise the risk of environmental contamination.

In Lesotho, waste management initiatives continue to support both operational efficiency and environmental sustainability. The use of a cardboard baler at Shopper operations has improved waste compaction and recycling processes, reducing waste volumes, lowering collection frequency, and supporting cleaner and safer working environments. The initiative also enhances the tracking and monitoring of recyclable materials, strengthening overall waste management practices.

Sustainability and ESG report
(continued)

e[1] Pollution and waste - Electronic waste management

Given the scale of the Group's operations and the ongoing need to replace and upgrade IT infrastructure and electronic equipment, Sefalana partners with specialised third-party service providers to support the safe **disposal and recycling of electronic waste materials, with appropriate consideration given to both environmental protection and data security requirements.**

f[1] Natural resources - Raw material sourcing

As global focus continues to grow around supply chain resilience, sustainable procurement practices and the environmental impact associated with sourcing and transportation; the Group continues to strengthen efforts aimed at sourcing raw materials responsibly and supporting local supply networks where practical.

Through its Foods Botswana subsidiary, Sefalana operates two food production plants in Botswana – a Milling plant and a Beverage plant. Across these operations, efforts are made to source raw materials from reputable and responsible suppliers while promoting the use of locally sourced inputs wherever feasible.

The Group prioritises procurement from local farmers and suppliers where practical, supporting local economic participation and contributing towards community upliftment and regional agricultural development.

g[1] Climate change - Carbon emissions

The Group's renewable energy initiatives continue to contribute meaningfully towards emissions reduction.

In Botswana, the ongoing solar installation project resulted in a significant reduction in carbon dioxide emissions, saving several thousand tons during the year – the equivalent of preserving over 150,000 trees.

In Namibia, similar solar initiatives delivered emissions savings of several thousand tons, further supporting the Group's broader environmental objectives and transition towards lower-carbon operations.

In Lesotho, delivery route optimisation initiatives assisted in lowering fleet fuel consumption and improving operational efficiency. During the year, the business also introduced a new truck utilising AdBlue technology which helps reduce harmful exhaust emissions by lowering nitrogen oxide output and improving the environmental performance of transport operations.

By sourcing products and raw materials locally where practical, the Group not only supports local suppliers and economic development but also helps reduce transportation related environmental impacts through shorter supply chains.

2 Social

Over 6,000 hours were invested in employee training across various disciplines during the year, reinforcing the Group's commitment to supporting staff in achieving their professional goals

Sefalana is committed to creating positive social impact across the communities in which we operate. Our approach to social sustainability is centred around people development, employee wellbeing, community upliftment, youth empowerment, education, food security and inclusive economic participation.

a^2 Human capital development

Training and professional development

- Over 6,000 hours were invested in employee training across various disciplines during the year, reinforcing the Group's commitment to supporting staff in achieving their professional goals.
- In Botswana, we continue to play an active role in the development of citizen Chartered Accountants by participating in the Botswana Institute of Chartered Accountants (BICA) qualification program. Our Group Finance Director serves as the Qualified Person Responsible for Training (QPRT), providing mentorship and ensuring that trainees receive robust on-the-job experience to help them qualify as Chartered Accountants. He also represents Botswana in the Institute of Chartered Accountants of England and Wales (ICAEW), strengthening the support available to local BICA candidates. This is further underpinned by the reciprocal support agreement between BICA and ICAEW, which ensures that aspiring professionals receive world- class guidance and development as they advance in their careers.
- Similarly, in Lesotho, trainee accountants continued to receive support towards professional accountancy qualifications through programmes designed to provide practical work experience and assistance with examinations and study materials.
- Metro Namibia continue to place strong emphasis on workforce development through both internal and externally facilitated training programmes. Training initiatives undertaken during the year included forklift operation training, health and safety training, branch manager development programmes, leadership and management skills development, customer care training, disciplinary hearing procedures training, Microsoft Excel training and business development strategy workshops. These programmes supported operational efficiency, strengthened leadership capabilities, enhanced workplace safety and improved customer service delivery across the business
- Metro also hosted regional management meetings aimed at enhancing communication and alignment between branches and Head Office operations, while promoting operational accountability and the sharing of best practices across the business.

Sustainability and ESG report
(continued)

- At Foods Botswana Beverages and Foods Botswana Milling, employees participated in a range of operational and compliance-related training programmes including forklift skills training, first aid, fire safety, food safety and hygiene, sales training, team building initiatives and specialised maize milling training programmes.
- Turnbridge Projects conducted employee training initiatives focused on Safety, Health and Environment (SHE), fire safety training and first aid training; helping strengthen workplace preparedness and employee wellbeing.
- SFP continued to invest in staff development through inventory management and operational training programmes aimed at improving efficiency, productivity and employee engagement.

Youth development and educational support

Beyond internal workforce development, the Group also contributed towards youth development, education and skills advancement through a range of educational and community focused initiatives.

Sefalana Lesotho support youth empowerment and social inclusion through employment opportunities provided to young adults from orphanages, enabling them to gain practical work experience, financial independence and workplace exposure.

Swaneng Hill School prize giving support
Foods Botswana donated funds to Swaneng Primary School for their modelling event and pageant. The initiative was supported in recognition of the role such activities play in building confidence, communication skills, self-expression and networking opportunities for learners.

Metsimasweu Junior Secondary School prize giving sponsorship
Foods Botswana Milling provided financial support towards an academic prize-giving initiative at Metsimasweu Junior Secondary School, supporting learner motivation and academic recognition.

Dinokwane Primary School educational tour support
Financial assistance was provided towards an educational tour for Dinokwane Primary School learners aimed at supporting experiential learning and learner engagement.

Makolo Primary School wellness day support
Foods Botswana Milling contributed funding towards a wellness day initiative at Makolo Primary School aimed at promoting health, fitness and wellbeing among learners and staff.

Monthly donation to Ramaphatle Primary School
Every month, Foods Botswana Beverages donates stationery to Ramaphatle Primary School with the aim of improving access to basic education materials for students.

Neighbouring school awards
Commercial Motors contributed towards a neighbouring school's annual awards initiative aimed at recognising learner achievement and encouraging academic motivation.

Training, workshops and bootcamps
Sefcash supported a series of training workshops and youth bootcamp initiatives in partnership with the Botswana Childhood Cancer Organisation, Young Inventors Hub and Kiddies Academy. The programmes focused on substance abuse awareness, life skills development and practical learning workshops for children.

Metro Namibia initiatives:

Vocational Training Centre partnership
Metro Namibia signed a Memorandum of Understanding with a Vocational Training Centre to provide practical workplace attachment opportunities for students studying wholesale and retail programmes. The initiative supports youth employability and practical industry exposure.

Graduate training programme
Metro Namibia continued its Graduate Training Programme for university business graduates, providing practical exposure across operational departments and day-to-day business management functions.

Retail trainee programme
During the year, Metro Namibia introduced a Retail Trainee Programme aimed at providing long-term practical training opportunities for vocational training graduates entering the retail industry.

Internship programme
Metro Head Office is currently hosting interns as part of practical workplace learning and graduate development initiatives. Offering internships and job attachments helps bridge the gap between theoretical knowledge and practical work application.

b² Human capital - Health, safety and wellness

The health, safety, and wellbeing of employees remain a key priority across the Group. Sefalana continues to promote safe and supportive working environments through ongoing health and safety training, wellness initiatives, employee engagement programmes and awareness campaigns aimed at supporting both physical and mental wellbeing.

Food handlers medical examinations
Foods Botswana Beverages carried out annual medical examinations for factory employees involved in food handling activities. These assessments support workplace health standards, food safety compliance and Botswana Bureau of Standards (BOBS) requirements.

Annual wellness day
Metro Namibia hosted its Annual Wellness Day for Head Office employees as part of ongoing efforts to promote employee wellbeing and encourage healthy lifestyle practices within the workplace. The initiative focused on strengthening employee morale, supporting mental wellbeing and encouraging a balanced and healthy work environment.

Sustainability and ESG report
(continued)

Stress management training
Commercial Motors conducted stress management training aimed at supporting employee mental wellbeing and helping staff manage workplace pressures more effectively.

Blood donation clinic
Metro Namibia also hosted workplace blood donation clinics involving employees across its operations. The initiative promoted employee engagement and social responsibility while providing employees with a convenient opportunity to contribute towards lifesaving healthcare initiatives.

Charity run support
Foods Botswana Milling donated funds towards a charity run organised by the Life Education Centre Botswana aimed at promoting health and fitness within the community.

Sir Seretse Khama marathon support
Foods Botswana Milling sponsored the Sir Seretse Khama Marathon, encouraging employee and community participation in fitness and wellness activities.

Sponsored wellness walk
Foods Botswana Milling partnered with Kombos Fitness Centre to support a sponsored wellness walk comprising of a 25-kilometre walk, health screenings and aerobics activities.

Foods Botswana Milling – UCCSA Mmadinare sponsored walk
Support was also provided towards a sponsored walk organised by UCCSA Mmadinare aimed at promoting mental health awareness and community wellbeing.

Bench press open challenge
Sefalana Lesotho hosted the Bench press open challenge which is a public wellness and fitness activation aimed at encouraging physical fitness and positive lifestyle choices.

10x10 Marathon with 32Gi
SefCash partnered with the 32Gi team to sponsor the 10x10 as part of ongoing efforts to promote active lifestyles within the community during marathon season.

Aerobics and fitness activities
To encourage healthy lifestyles and physical activity in the community, SefCash collaborated with UB Graduate School, The Voice and Botshelo Loeto Club to sponsor aerobics and fitness activities.

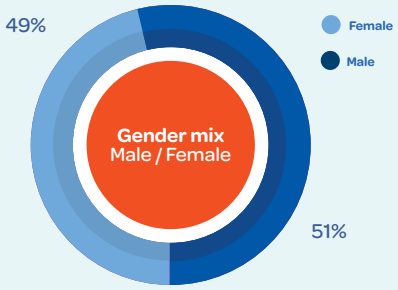
Team-building Initiatives

CML also hosted team building initiatives designed to strengthen teamwork and employee engagement across operations.

Similarly, Level 55 (our fixtures and fittings business) organised a staff team building session aimed at fostering stronger interpersonal relationships and overall workplace morale.

C^2 Human capital - Inclusion and diversity

Our total staff complement grew by 100 this year, reaching 8,272 employees across the Group. Female representation was 49%, remaining within our targeted range of 45% to 55%, while male representation stood at 51%. **Sefalana remains committed to inclusive hiring practices, ensuring that local communities benefit from employment opportunities. In line with the previous year, 99% of our workforce in each country of operation comprises local citizens.**



Employment equity and affirmative action compliance

Metro Namibia continue to comply with the requirements of the Namibian Affirmative Action Act through the submission of its Annual Employment Equity Plan. The legislation promotes fair employment practices relating to recruitment, training, promotion and equitable remuneration for previously disadvantaged groups, women and persons with disabilities.

Workforce representation and inclusion

Metro Namibia's workforce representation continued to include both male and female employees across operational and management levels, including employees living with disabilities. The business remains committed to maintaining inclusive workplace practices and supporting equal participation opportunities within the organisation.

Promoting gender equality and inclusive leadership

During the opening of a new Sefalana Shopper store in Lesotho, the appointment of the business' first female Branch Manager represented an important milestone in advancing gender equality and inclusive leadership within operations. The appointment reflected the Group's commitment to providing equal leadership opportunities and promoting diversity within management structures.

Employee engagement and workplace culture

Sefalana Lesotho also undertook employee engagement initiatives linked to themed store activations and internal events where staff participation and creativity were recognised through awards and certificates. These initiatives supported employee morale, teamwork, inclusivity and positive workplace culture across operations.

Sustainability and ESG report
(continued)

d^2 Labour management - Fair employment practices

Sefalana remains committed to providing a fair, inclusive, and equitable workplace. We maintain a zero-tolerance policy toward discrimination based on race, gender, religion, class, sexual orientation, or creed and are committed to fair employment practices across recruitment, remuneration, training and career advancement opportunities. The Group promotes a workplace culture built on integrity and equal opportunity while fostering an environment where diversity is respected and employees are empowered to express themselves freely.

Employee Recognition

Through the Sefalana Heroes Campaign, Sefalana Lesotho recognised employees whose career journeys reflect the Group's commitment to merit-based growth, internal development and staff empowerment. During the year, recognition was given to a Branch Manager whose progression from an entry-level shrinkage position to leading a Sefalana Liquor branch demonstrated dedication, perseverance and strong leadership potential. His journey highlights the opportunities available within the organisation for employees to grow through hard work, training and performance, while reinforcing a workplace culture built on equal opportunity, motivation and inclusivity.

e^2 Opportunities in nutrition & health - General feeding schemes

As a Group operating within the food retail and manufacturing sectors, Sefalana recognises the important role it can play in supporting nutrition, food security and community wellbeing. Across the Group's operations, various initiatives continued during the year aimed at assisting vulnerable individuals and communities through food support, nutritional assistance and related community outreach programmes.

Some of these projects are highlighted below:

Polokong Elderly Centre feeding initiative (Foods Botswana)
Foods Botswana continues to support the Polokong Elderly Centre in Maun through monthly food hamper donations aimed at assisting elderly community members supported by the Centre's feeding outreach programme.

Pabalelong Hospice support (SFP & Foods Botswana)
Foods Botswana provides ongoing food hamper support to Pabalelong Hospice, while Sefalana Fresh Produce and Catering donate fresh produce and assorted groceries to assist with improving the quality of life and nutritional support provided to patients under the Hospice's care.

SOS Children's Village nutritional support
Foods Botswana Milling continued its monthly nutritional support to SOS Children's Village through the donation of Tsabotlhe products, helping provide sustained food assistance to vulnerable children.

Natural disaster relief support
Through a collaboration with the Northwest District Council, Sefcash provided support to households impacted by the flooding in Khwai Village by donating mixed food hampers.

Cookery competitions and Food Hamper donations
SefCash supported community cookery competitions and food hamper donation initiatives in partnership with Ukhwi Village, Belservest and the ELCSA Diocese. The initiative provided food hampers to vulnerable community members and supported festive season feeding initiatives for children.

Footprints of Hope community outreach support
Sefalana Lesotho partnered with Footprints of Hope, a local non-profit organisation supporting vulnerable households and foster children, through the sponsorship of essential food supplies and community food packages. Support was provided through various outreach initiatives aimed at assisting disadvantaged families and promoting food security within local communities.

Christmas charity food parcel initiative
Sefalana Lesotho partnered with Footprints of Hope for a Christmas charity initiative where they distributed food parcels to under served households during the festive season. The initiative aimed to assist vulnerable families facing food insecurity while supporting community wellbeing during a financially demanding period.

Hlokomela Bana support initiative
Sefalana Lesotho contributed food hampers towards a charitable outreach initiative under the Queen of Lesotho supporting Fernando School, a special school catering for differently abled children.

Sports and cultural activities

Cultural events
SefCash partnered with the Bangwaketse Tribal Administration, Dinaletsana Cultural Promotions and the Batlokwa Royal Council to support various cultural events and traditional community initiatives These initiatives contributed towards the celebration and preservation of local culture and heritage.

Mmoloki Football tournament sponsorship
Foods Botswana Milling sponsored the Central North Regional Football Cup through support provided to the Mmoloki Football Tournament. The tournament provided a platform for local sports development while also creating opportunities for brand visibility and stakeholder interaction.

Retail Birthday Promotion marathon
As part of the Sefalana retail birthday promotion campaign, Sefalana supported a community marathon initiative in collaboration with suppliers and local artist Vee Mampeezy. The event helped raise awareness of the campaign while promoting community participation.

Sustainability and ESG report
(continued)

Horse race challenge sponsorship
Foods Botswana Milling provided sponsorship towards the 2025 Annual Horse Race Challenge hosted by High Degree Enterprises (Pty) Ltd. The initiative formed part of the business's broader community engagement efforts.

LMPS Football Club sponsorship – Lesotho
Sefalana Lesotho continued its support for the Lesotho Mounted Police Service (LMPS) Football Club through the provision of soccer jerseys and food support.

Tsabotlhe Football Club sponsorship
Foods Botswana Milling continued as the main sponsor of both Tsabotlhe Men FC and Tsabotlhe Women FC participating in the First Division North and Women's League respectively for the 2025/26 season. The sponsorship supports local sports development while also promoting inclusivity and the advancement of women's participation in sport.

Team Flippy awareness run
Metro Namibia contributed to Team Flippy, an initiative using long-distance running activities to raise awareness around important social causes and mobilise support for vulnerable communities, including through a Gender-Based Violence awareness run and community food drive.

Sefalana Lesotho hosts an annual suppliers and partners golf day
to recognize and strengthen relationships with both suppliers and strategic partners. The initiative serves as a platform to celebrate collaboration and acknowledge contributions.

Sefalana Lesotho demonstrates strong social responsibility through its support for employees
who contribute to national development beyond the workplace. This includes enabling an employee who participates in the Lesotho Premier League to fulfil his sporting commitments without penalty, reflecting a flexible and supportive approach to work-life balance, employee wellbeing and talent development.

Community development

Support for persons living with disabilities – Tuckshop donation
In partnership with RB2 Radio Station, Sefalana donated and fully equipped a tuckshop for Mabel, a Mahalapye resident living with a disability. The tuckshop has become a source of income and sustainable livelihood, with ongoing operational support and coaching provided through the Pula Value franchise network.

Donation of laundry equipment and consumables
Sefalana donated laundry equipment, consumables and foodstuffs to various organisations in collaboration with SAFOD, AGORA, KDPA and Jwaneng Town Council. The initiative supported individuals living with disabilities while also assisting one beneficiary in establishing a small laundromat business.

Water sponsorships and community event support
Foods Botswana Beverages donated water to various organisations, sporting activities and community events during the year, supporting hydration and wellness initiatives across multiple stakeholder groups.

Eye Camp donation initiative
Foods Botswana Beverages provided financial support towards an eye care outreach initiative organised by the Shiv Charitable Society at Gabane Junior School, enabling access to eye health services within the community.

Support for street vendors
Commercial Motors assisted local street vendors through the donation of business support items including a plastic table and gazebo, assisting small-scale entrepreneurs with their day-to-day trading activities.

Bank Windhoek CAN Apple Project
Metro Namibia participated in the annual CAN Apple Project in collaboration with other corporate organisations to support cancer awareness and fundraising initiatives.

Nakayale Private Academy
Metro Namibia contributed to Nakayale Private Academy for orphans and severely marginalised children through financial donations and monthly food assistance through feeding programmes for almost 200 learners in rural northern Namibia.

Sefalana

Sa Rona - Your family value store

PART 1 15 Cars Wholesale

PART 2 15 Cars Retail

1st PRIZES — **10** Honda Elevate 1.5 CVT Elegance vehicles to be won

2nd PRIZES — **20** Honda Amaze CVT 1.2 Comfort vehicles to be won

3rd PRIZES — **1 092** smart phones to be given away weekly.

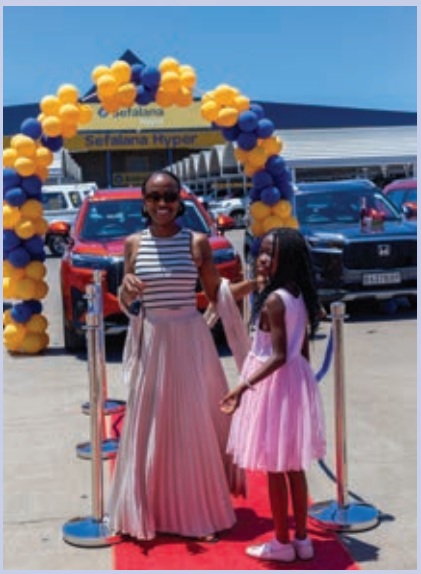
DRIVE YOUR DREAM CAR

WIN!

ONE OF

30

CARS UP FOR GRABS!



Sefalana Birthday Promotion

Sustainability and ESG report
(continued)

Safe Haven Soup Kitchen
Metro Namibia donated food products to the Safe Haven Soup Kitchen in Mariental in support of feeding programmes aimed at assisting vulnerable children within the surrounding communities.

Casual Day initiative
Metro Namibia participated in Casual Day initiatives and contributed towards awareness and fundraising efforts aimed at supporting differently abled individuals and related community programmes.

Sefalana Heroes Campaign – Lesotho
The Sefalana Heroes Campaign was launched during the opening of the new Sefalana Shopper store in Lesotho, recognising individuals and organisations making a meaningful difference within their communities. Among those recognised was the Wellness Academy Hero in Qoaling, acknowledged for initiatives focused on youth wellness, education, sport and crime prevention aimed at creating safer and healthier communities.

As part of the campaign, Sefalana Lesotho also distributed food packages within the respective communities of the recognised heroes, extending support to vulnerable households and reinforcing their commitment to meaningful local impact.

National Wedding Couple Community Support initiative
The National Wedding Couple in Lesotho became a source of inspiration to many Basotho through their determination to formalise their union despite financial and personal hardships. In recognition of their resilience, Sefalana Lesotho extended assistance through the provision of groceries for the wedding celebration, followed by vouchers during the couple's pregnancy as well as after the opening of a new Shopper store to assist with household and family needs. This demonstrates Sefalana's compassion and commitment to community upliftment.

Santa Claus is in town community initiative
Sefalana Shopper Lesotho hosted the "Santa Claus Is in Town" community initiative at its Lithabaneng branch as part of its ongoing commitment to family and community engagement during the festive season. The initiative brought together families, children and community members through interactive activities, festive entertainment and family photography experiences; promoting inclusion and positive social interaction.

Two Hearts, One Trolley campaign
As part of its Valentine's Day celebrations, Sefalana Lesotho launched the "Two Hearts, One Trolley" campaign aimed at encouraging customer engagement and community participation through family-focused activities and grocery voucher support. The initiative encouraged shoppers to participate as couples through in-store photography and social media interaction, with participants standing a chance to win grocery vouchers valued at M2,000. The campaign promoted positive social connection while reinforcing customer engagement and community interaction.

Stockvel Seminar Programme
Sefalana Cash & Carry Lesotho hosted a Stockvel Seminar bringing together community savings groups, suppliers and stakeholders to promote financial literacy, bulk-buying education and stronger community engagement.

Rotary and Rotaract Youth Leadership support
Sefalana Lesotho supported a youth leadership induction initiative hosted by the Rotary Club of Mantsopa in Maseru, aimed at inspiring the next generation of leaders through leadership development, civic responsibility and youth empowerment.

Alliance Insurance Trolley Dash activation
Sefalana Shopper Lesotho partnered with Alliance Insurance in hosting a trolley dash initiative rewarding competition winners through an engaging in-store customer experience.

House Brand product expo and tasting programme
Sefalana Lesotho hosted product expos and tasting activations at different event venues as well as in-store; promoting house brand products, consumer education and local supplier support.

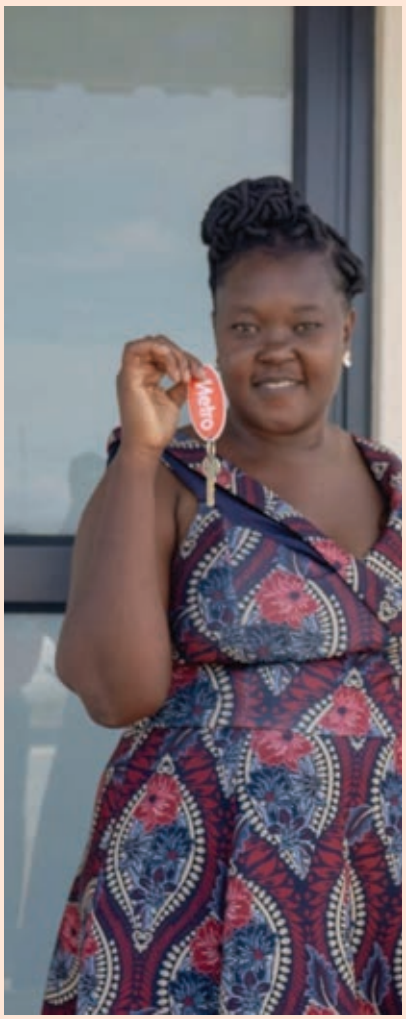
Retail Mascot initiative – Lesotho
Sefalana Lesotho introduced the country's first retail mascot aimed at strengthening stakeholder engagement, promoting responsible brand communication and enhancing customer interaction within communities.

Sanitary pad donation initiative – St Cecilia Orphanage
Sefalana Lesotho donated sanitary pads to St Cecilia Orphanage at the beginning of the year to address period poverty and preserve the dignity and wellbeing of vulnerable girls by ensuring consistent access to essential sanitary products during the early school term.

h² Product liability - Product safety and quality

Sefalana remains committed to high standards of product safety and quality through a stringent procurement process that prioritises reputable suppliers and responsible sourcing practices. Our supplier pre-screening ensures alignment with our ethical values and operational expectations.

All food manufacturing activities comply fully with Botswana Bureau of Standards regulations, supported by robust and continuous end-to-end quality assurance systems.


Metro

Metro
House Giveaway
LIVE

Metro
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value meets fre

Metro Namibia Birthday Promotion community initiative

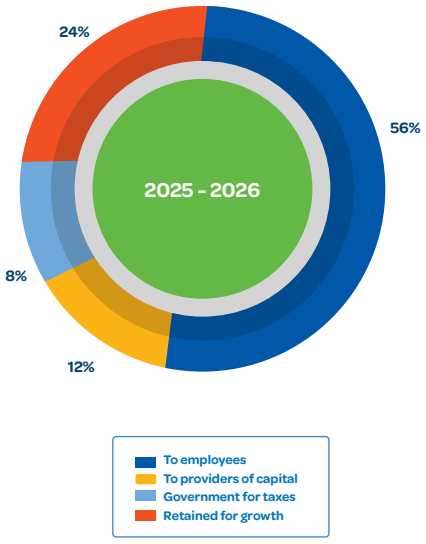
As part of its ongoing customer appreciation and community engagement efforts, Metro Namibia concluded its annual Birthday Promotion with the handover of a newly built home valued at N$600,000 in Osona Village near Windhoek.

The promotion, which ran from November 2025 to January 2026, was linked to the Metro Rewards Card programme and attracted thousands of customer entries across Namibia. The grand prize winner received a fully built two-bedroom home together with a N$10,000 Metro Home voucher and household appliances valued at N$20,000 sponsored by Bennett Read which included a refrigerator, washing machine and microwave.

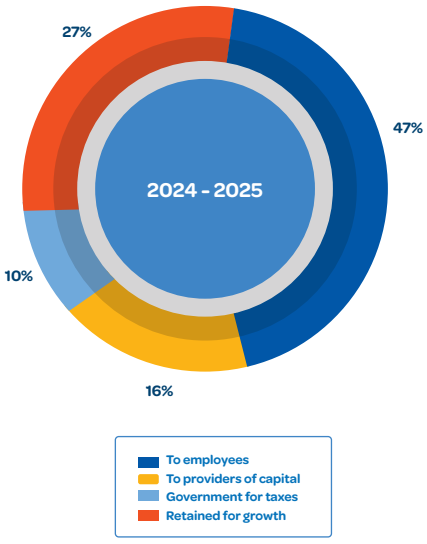
The campaign concluded in a live key activation event where the successful finalist unlocked the home and was confirmed as the winner. In the spirit of broader customer recognition, the remaining finalists also received shopping vouchers and sponsored appliances. The initiative not only celebrated customer loyalty but also created a life changing opportunity through home ownership and community upliftment.

Sustainability and ESG report
(continued)

Value added statement	2026 P'm	2025 P'm
Wealth created		
Revenue	12 127	11 174
Payments to suppliers and providers of services	(10 997)	(9 948)
Value addition	1 130	1 226
Effect of profit / (loss) from operations of associates	3	(7)
Interest income from bank deposits	57	47
Total wealth created	1 190	1 266
Wealth distribution		
To employees	659	600
To providers of capital	148	201
Government for taxes	97	124
Total wealth distributed	904	925
Wealth retained in the business		
To maintain and develop operations of the Group	286	341
Number of employees of the Group	**8 272**	**8 172**



Almost 50% of wealth created is disseminated to employees in the form of salaries, wages and other staff benefits. The remainder is allocated across other key stakeholders.



3 Governance

We continue to uphold our responsibilities to the corporate community and our stakeholders through adherence to high standards of corporate governance and ethical business practices.

a^3 Corporate Governance – King IV compliance

The Group consistently demonstrates its commitment to sound governance practices through ongoing alignment with the principles and recommended practices of King IV. A detailed assessment of the Group's application of King IV is included in the Corporate Governance Report. The Group early adopted this governance code prior to it being made mandatory by the Botswana Stock Exchange.

b^3 Board Diversity

The Group remains committed to fostering diversity and inclusion at Board level, with a focus on maintaining an appropriate balance of gender, age, tenure, skills and experience. While there is still progress to be made, the current Board composition reflects meaningful representation of women. The Board also benefits from a strong combination of industry experience, technical expertise, and professional qualifications, which collectively strengthen strategic oversight and governance effectiveness. The Group remains focused on further improving diversity in line with its long-term governance objectives.

c^3 Fair pay practices

During the current and previous year, the Remuneration Committee commissioned two executive pay benchmarking exercises to ensure our remuneration practices remain competitive and aligned with market standards. Further details are provided in the Remuneration Report.

Annual negotiations with Trade Unions are conducted resulting in mutually agreed pay increases. We are proud to maintain remuneration levels that are well above the current minimum wage. In addition, we were able to award both salary increases and performance - based bonuses to our staff. The Group continues to monitor regulatory developments to ensure ongoing compliance and fair compensation practices.

Sustainability and ESG report
(continued)

d³ Business Ethics

The Group is committed to upholding the highest standards of business ethics and integrity and accountability across all operations. To support this, we have implemented several key initiatives including:

Independent internal audit function

The Group's Internal Audit department operates independently and reports directly to the Board Audit Committee. Throughout the year, internal audit reviews are conducted across all subsidiaries in line with an annual audit plan approved by the Committee. In addition, ad hoc audits and special assignments are undertaken at the request of the Board, ensuring continuous oversight and responsiveness to emerging risks.

Group wide whistleblowing policy

To reinforce ethical conduct and accountability, the Group maintains a whistleblowing policy that is well-communicated and understood across all subsidiaries, with clear guidance on how to report concerns.

Development of the Group Code of Conduct

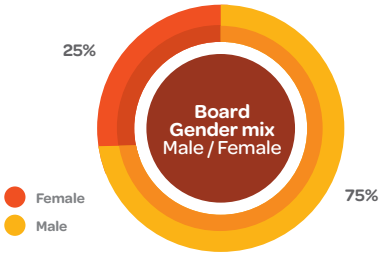
A comprehensive Group Code of Conduct was introduced, formalising the ethical principles and behaviours expected of all employees and management, and serving as a guiding framework across the organisation

e³ Tax transparency

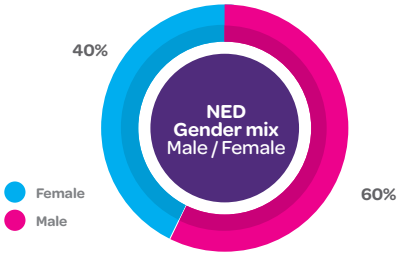
The Group remains a fully compliant taxpayer in all jurisdictions in which it operates. We maintain transparent relationships with tax authorities and ensure full disclosure of all related-party transactions. A Group Transfer Pricing Framework, aligned with international best practices, has been developed and approved by relevant tax authorities.

To maintain ongoing compliance, we periodically engage independent tax experts to conduct comprehensive tax health checks. **In the current financial year, the Group contributed approximately P97 million in taxes to the governments of the countries in which we operate.**

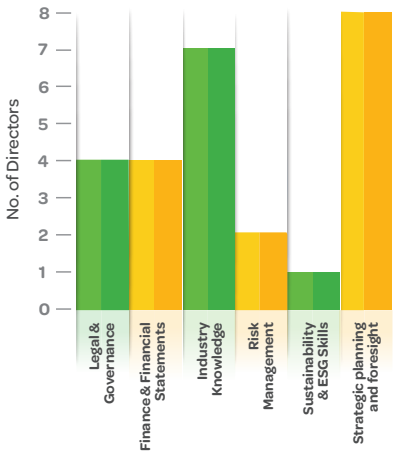
Board Gender mix



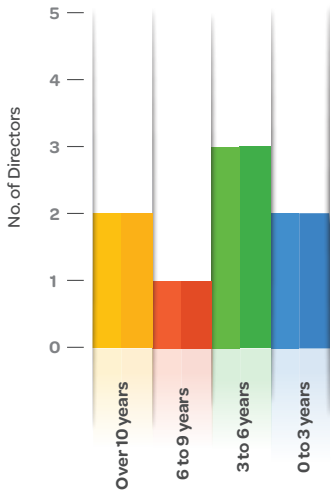
NED Gender mix



Skills mix of Board of Directors



Board tenure



Our ongoing journey ...

With the ESG framework now firmly embedded across the Group, focus has shifted to strengthening consistency in execution, enhancing data quality and deepening integration of sustainability considerations into day-to-day decision making.

ESG is now fully integrated into how we operate, how we measure performance and how we manage risk across the business.

Over the past year, the Group has continued to expand ESG reporting coverage and improve the robustness of its underlying data. This has enabled more meaningful tracking of performance across Environmental, Social and Governance focus areas and a clearer view of progress across operations

ESG FOCUS AREAS

The visual overview on the next pages presents the Group's ESG targets, KPIs, baseline figures and current year performance. The table continues to provide a structured view of progress across all ESG focus areas and supports transparent, year-on-year performance tracking.

Sustainability and ESG report
(continued)

	17 KPIS	Themes	Focus areas	Initiative Number	Status
ENVIRONMENT	1. Energy mix 2. Gas emissions	1	Energy and carbon footprint	b1,c1,e1,f1,g1	
	3. Water usage/management 4. Water recycling	2	Water stewardship	a1	
	5. Recycling	3	Waste management	e1,d1	
SOCIAL	17 KPIS	Themes	Focus areas	Initiative Number	Status
	6. Localisation	4	Integrated supply chain	g2	
		5	Giving back to the community	a2,b2,e2,f2,g2	
	7. Discrimination and harrasment 8. Diversity and inclusion 9. Training 10.Staff employee turnover and new hires	6	Our people	a2,c2,d2	
	11. Work related fatalities 12. Work related injuries	7	Health and safety	b2	
		8	Food safety	b2, h2	
GOVERNANCE	17 KPIS	Themes	Focus areas	Initiative Number	Status
	13. Board diversity 14. Board competence 15. Board independence 16. Grievance mechanisms 17. Fines and monetary losses due to legal proceedings	9	Governance	a3,b3,c3,d3,e3	

Measures	FY2024	FY2025	FY2026	Target 2030	Alignment to SDG Goals
Our reporting on Energy and Carbon Footprint will focus on total energy use, the share by generation type, and Scope 1 emissions. This includes direct emissions from company-owned sources, with diesel and petrol consumption converted to tonnes of CO_2 equivalent (tCO_2e).					
Water usage- total water withdrawal from all operations (Kilolitres)			380,476	Monitor annually and improve water-use efficiency as operations expand	
Water recycling- (volume of water recycled and reused by the organisation) (Kilolitres)			6,602	5% of total water withdrawal	
The total waste collected (MT)			3,769	Monitor annually and minimise waste intensity relative to business growth	
The percentage of waste reprocessed (reused, recycled or recovered)			29%	50%	

Measures	FY2024	FY2025	FY2026	Target 2030	Alignment to SDG Goals
Percentage products sourced from SADC	98%	96%	96%	>90%	
Percentage of products for sale locally sourced	90%	89%	76%	>90%	
Percentage of CSR spend on basic needs e.g. feeding programmes	20%	25%	20%	25%	
Percentage of CSR spend on social development	26%	14%	21%	25%	
Percentage of CSR spend on other initiatives	54%	61%	59%	50%	
Total number of employees	7,234	8,172	8,272	10,000	
Percentage of employees who are women	47%	46%	49%	>45%	
Number of employees who are deemed 'disabled'	0.42%	0.47%	0.11%	<1.00%	
Total percentage of employees trained for skills per year	29%	36%	46%	>40%	
Pula million value of employee training spend	5.6 million	8.6 million	5.7 million	10 million	
Percentage of employees under the age of 30	40%	43%	29%	50%	
Percentage of employees aged between 30 and 50	54%	53%	62%	45%	
Percentage of employees over the age of 50	6%	4%	9%	5%	
Number of fatalities (i.e. injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	0	0	0	0	
Total number of recordable injuries, including medical treatment cases (MTCs), lost time injuries (LTIs) and fatalities per year	34	23	56	<50	
Number of high-risk food safety violations	0	1	3	0	
Number of product recalls	2	6	4	<3	
Number of food safety audits	76	87	134	>100	

Measures	FY2024	FY2025	FY2026	Target 2030	Alignment to SDG Goals
Number of Board members	10	10	8	10	
Percentage of Board members who are deemed Non-Executive	60%	60%	63%	60%	
Percentage of Board members who are deemed Executive	40%	40%	38%	40%	
Percentage of Board members who are deemed Independent	60%	60%	63%	60%	
Percentage of Board members who are women	37%	30%	25%	>35%	
Average length of Non-Executive Director service (in years)	3	3	3	>2 years	
Does the company have a whistle-blower programme in place?	yes	yes	yes	Whistleblower program is in place	
Pula (BWP) value of losses resulting from legal proceedings (including fines) due to fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice or violations of other industry laws or regulations	nil	nil	nil	nil	
Does the company have formal stakeholder engagement policies in place, including mechanisms for stakeholders to raise issues?	yes	yes	yes	Stakeholder Engagement Policy in place	

Corporate Governance report

Governance Overview

The Group, under the supervision of the **Board is committed to maintaining high standards of corporate governance.**

In addition to aligning itself with the principles of the King IV Report, the Group has applied the guidelines as entrenched in the Botswana Stock Exchange ("BSE") Listing Rules.

The Board is dedicated to embedding corporate governance principles into the culture of the organisation to drive the sustainable development of our businesses and the Group. For the current year, the Company has continued to apply King IV.

King V was published in late 2025,

with evolving expectations relating to governance and disclosure. The Company has, where appropriate, begun to align certain aspects of its governance and reporting practices with the enhanced disclosure approach contemplated under King V, particularly in relation to the structuring and clarity of governance disclosures.

The Group focuses on integrity, accountability, and transparency in its conduct and is led by an effective and committed Board, which provides central oversight, governance and direction to the Group. The Board is supported by the Board Charter, Committee Terms of Reference, the Delegation of Authority Framework and its Annual Work Plan.

The Board believes that this Annual Report addresses all material matters relevant to the performance of the Sefalana Group of Companies and accordingly adopts an Integrated Reporting approach in line with international best practice.

The Board has 4 sub-committees - the Audit Committee, Risk & Sustainability Committee, Remuneration Committee and Nominations Committee. Through these committees and the Main Board, the Board sets the strategic direction of the Group and sets out how areas of governance matters will be approached, addressed, and implemented. Regular reporting to the Board by all subsidiaries enables effective monitoring of performance and accountability through transparent and responsible disclosures. With some entities in the Group being defined as Public Interest Entities ("PIEs"), robust corporate governance structures are critical to the sustainability of the Group.

While continuing to apply King IV, the Board has enhanced disclosure over recent years by introducing structured reporting aligned to governance outcomes.

The Board adopts an "apply and explain" report and is satisfied the Group's governance structure supports:

1 Ethical culture → 2 Effective control → 3 Good performance → 4 Legitimacy

The Board believes that this Annual Report addresses all material matters relevant to the performance of the Sefalana Group of Companies and accordingly adopts an Integrated Reporting approach in line with international best practice.

The Group also, on an on-going basis, considers international best practice in Governance, to refine its approach and enhance its operations. Over the past years, reference has also been made to the UK Corporate Governance Code, as an additional benchmark for aligning with international best practices, which is laid out later in this report.

1 Governance Outcome: Maintaining Ethical Culture

The Board demonstrates strong ethical values through its directives, actions and behaviour to support the function of control, and set the tone from the top for ethical conduct.

The Board reaffirms its commitment to ethical leadership, guided by the principles of integrity, competence, responsibility, accountability, fairness and transparency. Sefalana Holding Company Limited, together with its subsidiaries is dedicated to fostering a strong ethical culture and ensuring that ethical decision making is embedded in its corporate strategy and daily operations.

The Group recognises that ethical leadership strengthens stakeholder trust and enhances long term sustainability. The Board demonstrates strong ethical values through its directives, actions and behaviour to support the function of control, and set the tone from the top for ethical conduct. During the reporting period, Board members have collectively and individually acted in good faith, in the best interests of the Group, and in accordance with their fiduciary duties. To manage actual and perceived conflicts of interest, the Board reviews and maintains a comprehensive interest register which is tabled and monitored regularly.

Corporate Governance report
(continued)

The Board annually reviews and approves the Group Ethics Policy, which defines the ethical framework within which the Group operates. The Group, through its Code of Conduct, mandates ethical behaviour across all levels of the Group as well as third parties it engages with. Ethics training and communication within the Group is enhanced by actively reminding employees about whistleblowing channels. Whistleblowing incidents are investigated in a structured way ensuring employees and stakeholders are able to report concerns without fear of retaliation, whilst giving each report the attention it deserves. Ethics monitoring mechanisms have been enhanced this year by introducing whistleblowing reports as a standing Board committee agenda item.

The Board exercises oversight, of ethical conduct through reports received from the Audit Committee, Risk & Sustainability and Remuneration Committee. These committees ensure that ethical and unethical behaviours are identified, addressed in a fair and transparent manner, and that appropriate corrective actions are taken where necessary.

Directors' declaration of interest

The Sefalana Board of Directors, as the governing body and custodian of corporate governance, is responsible for ensuring that the Group operates ethically and in compliance with its fiduciary obligations.

As a standing agenda item at each Board meeting, Directors declare any direct or indirect interests that could potentially create a conflict of interest. Where a conflict exists, the affected Director must recuse themselves from discussions and abstain from voting on the related matter. In instances where Board authorization is required to manage a conflict, such approvals are documented in the minutes, and the Company Secretary ensures that the interest register is updated accordingly.

Dealings in the Company securities

In accordance with BSE Listing Rules and the Company's Securities Trading Policy, Directors and designated senior executives are prohibited from trading in the Company's shares during closed periods or while in possession of price-sensitive information that has not been publicly disclosed.

Additionally, the Board may impose additional closed periods at its discretion, ensuring compliance with fair trading practices.

Directors and Executive Management are required to declare any personal dealings in the Company's securities to the Company Secretary, who ensures timely disclosure to Shareholders through the BSE Limited. These transactions are also tabled at the subsequent Board meeting to ensure transparency and accountability.

The direct and indirect interests of Directors in the issued shares of the Company as at the financial year-end are disclosed in the table below:

Director	Number of shares controlled as at the year–end date
Mrs. Jennifer Marinelli	50,000 (2025: 50,000)
Mr. Chandra Chauhan	14,134,204 (2025: 14,134,204)
Mr. Bryan Davis	Nil (2025: Nil)
Mr. Mohamed Osman	233,028 (2025: 233,028)
Mrs. Susanne Swaniker-Tettey	Nil (2025: Nil)
Mr. Mahube Mpugwa	14,764 (2025: 14,764)
Dr. Keith Jefferis	34,804 (2025: 34,804)
Mr. Sipho Ziga	Nil (20254: Nil)

2 Governance Outcome: Effective Control

The Board demonstrates strong ethical values through its directives, actions and behaviour to support the function of control, and set the tone from the top for ethical conduct.

The Board of Directors

Jennifer Marinelli (68).
Board Chair (Independent Non-Executive Director)
Main Board attendance: 6/6

Jennifer Marinelli is a fellow member of the Botswana Institute of Chartered Accountants and the Institute of Chartered Accountants of Zimbabwe. Mrs Marinelli holds a Bachelor of Accounting Science from UNISA. She has over twenty-two years' experience employed at Deloitte & Touche where she was an Audit Partner. She currently runs a successful consulting business.

Mrs. Marinelli previously served on the Board of Sefalana from 2001 to 2015. Mrs. Marinelli re-joined the Board in December 2021. She is the Chair of the Board, and a member of the Remuneration Committee, Nominations Committee and Risk & Sustainability Committee.

Chandra Chauhan (64)
Group Managing Director – Executive
Main Board attendance: 6/6

Chandra is a Chartered Accountant who trained and qualified with KPMG in the United Kingdom. A Zambian by birth, he became a naturalised citizen of Botswana and has over the years become a very successful entrepreneur and respected businessman. He is currently the Group Managing Director, having been appointed to the Board in August 2002. Chandra has been responsible for turning around and restructuring Sefalana and has seen its market capitalisation increase from P64 million in 2004 to its current capitalisation of just under P4 billion.

Mr. Chauhan has a BAcc (Hons) from the University of Zimbabwe, ACA (England & Wales) and FCA (Botswana).

Mohamed Osman (49)
Group Finance Director – Executive
Main Board attendance: 6/6

Mohamed is a Fellow Chartered Accountant who trained with KPMG and Ernst and Young in the UK for over 10 years. He joined Sefalana as the Deputy Group Finance Director in March 2012 and was promoted to the position of Group Finance Director in January 2014. He worked closely with several international Retail and Manufacturing businesses in the UK having spent 15 years away from Botswana. Mohamed graduated with a BCom (Hons) degree from the University of Birmingham in the UK and qualified under the Institute of Chartered Accountants of England and Wales (ICAEW). He has an MBA in International Management from Edinburgh University in Scotland and has attended Executive Leadership courses at Harvard Business School Cambridge Massachusetts, and MIT Sloan School of Management in Boston. He has a keen interest in Mergers & Acquisitions and business development.

Mohamed is the Botswana representative for the ICAEW and served as the Principal Officer of the Sefalana Group Pension Fund until March 2026. Mohamed was appointed to the Board of Access Bank Botswana in March 2026, where he is also member of the Audit Committee.

Corporate Governance report
(continued)

Bryan Davis (69)
Sefalana Cash and Carry Namibia – Managing Director – Executive
Main Board attendance: 6/6

Bryan joined the Board of Sefalana Holding Company Limited on 1 July 2018 as an Executive Director having been appointed in 2014 as the Managing Director of Sefalana Cash & Carry Namibia (t/a Metro Namibia) which saw the expansion of Sefalana into the region.

Bryan holds an MDP (Management Development Program) from the Free State University, South Africa. He draws on over 40 years of experience in the FMCG industry, in both the wholesale and retail sectors. He has held various leadership roles in Metro Cash & Carry in South Africa, Lesotho, Botswana and Namibia, Retail Market in India, Checkers South Africa and Grand Bazaars. He was also previously the Managing Director of the Sefalana Cash & Carry business in Botswana up until 2009.

Susanne Swaniker-Tettey (51)
Independent Non – Executive
Main Board attendance: 6/6

Susanne is a Fellow Chartered Accountant who possesses practical knowledge in Financial Management with core competencies in Financial Reporting, Financial Analysis, Strategic Planning, Governance and Compliance, amongst others. She is currently the Global Financial Controller of the De Beers Group, a former CFO of De Beers Global - Sightholder Sales (Pty) Ltd and Okavango Diamond Company (Pty) Ltd as well as former CFO of several other mining companies in Botswana.

Susanne holds an MBA from Oxford Brooks University and an M.Sc. in Accounting from University of Glamorgan (Wales, UK). She is a Fellow Chartered Accountant of Botswana Institute of Chartered Accountants (BICA) and a Fellow of the Association of Certified Chartered Accountants (UK). She was awarded "Woman of the Decade in Finance and Leadership" by All Ladies League & Women Economic Forum (New Delhi) in 2017.

She is a past President of BICA and sits on several other Boards and Audit Committees. Susanne is the Chair of the Sefalana Audit Committee and is a member of the Nominations Committee. She joined the Board in October 2020.

Mahube Mpugwa (59)
Independent Non-Executive
Main Board attendance: 6/6

Mahube holds 25 years' experience in the oil and retail industry in Botswana. He has held several directorships, pioneering various business development programs with the petroleum industry. He is currently a Director on the Board of First Capital Bank Limited.

Mahube graduated with a BA (Hons) from the University of Windsor in 1994. Mahube acquired a Certificate in Business Leadership in 2002 from UNISA Graduate School of Business Leadership. He has an MBA from the University of Strathclyde Graduate School of Business and participated in the Executive Leadership Development Programme at HEC Paris in 2016.

Mahube joined the Board in March 2022, and was appointed as the Lead Independent Director in 2023. He is the Chair of the Remuneration Committee, a member of the Risk & Sustainability Committee and Audit Committee.

Gerhard Scheepers (65)
Executive
Main Board attendance: 5/6

Gerhard has over 38 years of experience in the FMCG industry within Southern Africa. He provides insight on the regional FMCG business environment, drawing on his wealth of practical knowledge and experience. He has a strong background in operations and business development with a focus on enhancing efficiencies and profitability within the Group.

Gerhard began his career with the Sefalana Group in 2016, where he played a key role in building the Lesotho business that has been acquired as part of the Group's expansion into the Region. He joined Sefalana Cash & Carry as the Country Wholesale Executive in 2018 and was appointed as the Chief Executive Officer for Sefalana Cash & Carry in August 2021. Gerhard was appointed to the Board in March 2022.

Gerhard retired from the Board in March 2026.

Paula Disberry (58)
Independent Non-Executive
Main Board attendance: 2/6

Paula graduated with a BA and MA from Cambridge University in 1989. She has held key leadership positions in several multinational Retail and FMCG blue-chip companies such as British Petroleum, Colgate Palmolive, Tesco, Woolworths (SA) and Pick n Pay, and has 17 years of experience in Africa. Paula has over 30 years of senior executive-level retail and FMCG experience across the globe, providing valuable input on leadership, and commercial and operational strategies for the Group.

Paula has been serving as an Independent Non-Executive Director on the boards of Pepkor Holdings (South Africa) since 2021, Sundry Markets (Nigeria) since 2023, and Banhoek Chilli Oil (UK) and ADNOC Distribution (Abu Dhabi) since 2024. She is also a Retail Advisor to African PE funds – Phatisa, Tana Africa, and Sango Capital. Paula was appointed to the Sefalana Board in March 2022.

She was the Chair of the Risk & Sustainability Committee, and a member of the Audit Committee, until her retirement from the Board in October 2025.

Keith Jefferis (69)
Independent Non-Executive
Main Board attendance: 6/6

Keith is a Development Macro-Economist and a financial sector specialist. He is the Managing Director of Econsult Botswana (Pty) Limited, and a former Deputy Governor of the Bank of Botswana. From June 2020 to May 2023, he worked as the Senior Policy Advisor in the Botswana Ministry of Finance. His current activities include work on a range of macro-economic, financial, and other development policy issues in Botswana and elsewhere in Sub-Saharan Africa. He has consulted for international organizations such as the World Bank, the African Development Bank, USAID, UNIDO and UNDP. He has served on the Committee of the BSE, the Board of Botswana Insurance Holdings Limited, and the Botswana Insurance Fund Management Investment Committee.

Keith holds a BSC in Economics and Statistics from the University of Bristol, an MSc in Economics from the University of London, and a PhD in Economics from the Open University (UK). He was appointed to the Board of Sefalana in June 2023.

Keith is a member of the Remuneration Committee and is the Chair of the Nominations Committee.

Corporate Governance report
(continued)

Sipho Ziga (54)
Independent Non-Executive Director
Main Board attendance: 6/6

Sipho Ziga is a senior attorney in Botswana with nearly 30 years of legal experience, principally in business law. He has extensive expertise in corporate and commercial law, securities regulation, financial services regulation, and project finance.

Over the course of his career, Sipho has advised both listed and unlisted entities on a broad range of matters, including corporate governance, regulatory compliance, due diligence, mergers and acquisitions, and the Botswana legal and regulatory framework. He brings to the Board deep insight into the legal and governance considerations relevant to companies operating in complex and evolving business environments.

Sipho has been consistently recognised by Chambers Global – The World's Leading Lawyers for Business for General Business Law since 2007, reflecting his standing and experience in the legal profession.

He joined the Board in June 2024 and serves as Chairperson of the Risk & Sustainability Committee, from October 2025. He is a member of the Audit Committee and the Remuneration Committee. His legal expertise and governance experience strengthen the Board's oversight of compliance, risk management, and sound corporate governance across the Group's operations.

Role of the Board

The Board is the ultimate governing body of the Group and is ultimately responsible for corporate governance, strategic guidance and the long-term success of the Group. It ensures the effective discharge of its duties through Board Committees, who exercise delegated authority, through clearly defined Terms of Reference. The Committees report to the Board, to ensure proper oversight.

Matters not specifically reserved for the Board are delegated to the Group Managing Director, who focuses on the daily operational affairs of the business and execution of the Group Strategy, as set by the Board. This brings an independent judgement on all strategic matters. The Board remains responsible for the consequences of such delegation and must ensure that accountability mechanisms are in place.

The Board fulfils its functions in line with the Board Charter. The purpose of the Board Charter is to clearly outline the mandate, composition, and responsibilities of the Board and to define its role, focusing on strategic leadership, performance management, investor relations, risk management and governance. The Board Charter also outlines fiduciary duties of Directors according to the Companies Act the BSE (BSE) Listing Requirements, and the governance principles recommended in King IV. The Board reviews the Charter annually to ensure that it is current, and effective in line with legislative developments and standards of governance practice. No significant changes were made to the Charter during the reporting period.

The Board conducts annual performance evaluations of its individual Directors, Board Committees, and the Board as a whole to assess its performance, in discharging its duties. The purpose of the evaluation is to assess Board effectiveness and enhance performance through interrogating governance, accountability and Board processes. Through the office of the Company Secretary,

a questionnaire is sent to the directors annually to anonymously evaluate the Board's performance. The evaluation process considers both the Board collectively, as well as self-evaluation. The results of the assessment are tabled at the Board meeting for consideration by the Board, where areas of improvement are discussed and resolved.

The Board's ultimate responsibility is the stewardship and supervision of the Group's activities. It has the following 13 principal duties:

1. **Providing ethical and effective leadership in line with the principles of good corporate governance;**
2. Formulating and monitoring implementation of the Group's long-term business strategy;
3. **Ensuring that the Group has a robust governance framework, risk management system, and internal controls;**
4. **Identification of key risks that threaten the Group's ability to achieve its strategy;**
5. Approval of the Group's investment plans, budgets and forecasts;
6. **Review of reports submitted to the Board for approval;**
7. Overseeing financial reporting integrity and ensuring transparent disclosure to stakeholders;
8. **Review of the business operations of the Group;**
9. Establishing sound accounting and financial control principles, as well as principles of financial planning;
10. **Ensuring compliance with legal regulatory, and ethical and ethical standards;**
11. **Ensuring that the Managing Director and other members of the Senior Management team are competent, fit and proper and that an effective succession policy and plan is adopted for the Group's senior executive positions;**
12. **Review of Board sub-committees for purposes of delegation of power and duties in order to enhance the overall effectiveness of the Board; and**
13. Regularly reviewing the structure, composition, and effectiveness of Board Committees to ensure proper delegation of power while maintaining overall Board accountability.

Corporate Governance report
(continued)

The Board is overall happy with the Board effectiveness and composition. **The Board identified opportunities for growth in technology and digital literacy, stakeholder engagement and sustainability oversight.**

The 2026 Board evaluations considered the following;

Board and Committee effectiveness and composition;	Governance & Accountability;	Relations with Stakeholders; and
Oversight of the Company's Financial condition and reporting;	Relations with Management;	**Director self-assessment.**

The results of the evaluation demonstrate continued satisfactory performance by the Board.

Board meetings

Every year the Board has four scheduled meetings, and additional meetings may be called as and when required.

Considerable planning goes into setting the agendas for the Board and committee meetings. The Board has an annual work plan which is agreed with Executive management. This is to ensure that duties as set out in the respective Charters are carried out effectively, and that the Board and its committees are focused on relevant matters.

Board Committees

The Board is supported by well - structured Committees. The Committees provide the Board with the means to effectively structure and manage the Board's work. The Committees provide focus and oversight to specific areas of operations and make appropriate recommendations to the Board. The terms of reference of each Committee are reviewed and approved annually, to ensure they are current and relevant to the changing legal and governance matrix.

The Board fulfils its functions in line with the Board Charter. The purpose of the Board Charter is to clearly outline the mandate, composition, and responsibilities of the Board and to define its role, focusing on strategic leadership, performance management, investor relations, risk management and governance.

Sefalana Holding Company Limited comprises of four sub – committees, with its membership, attendance, roles and responsibilities outlined as below.

Nominations Committee

Membership and meeting attendance

- **Dr K. Jefferis (Chair) (2/2)**
- **Mrs JM Marinelli (2/2)**
- **Mrs S. Swaniker-Tettey (2/2)**

During the period, the Nominations Committee reviewed Board composition, annual rotation, and tenure in line with governance best practices and the need for continuity and strategic oversight.

The Nominations Committee regularly convenes to oversee Board and executive succession planning, ensuring alignment with the Group's strategic direction and governance principles. It evaluates Board composition, including Committee membership annually to ensure a balance of skills, experience, diversity, and independence. As part of this process, the Committee also identifies relevant skill development opportunities to enhance Board effectiveness.

An Independent Non - Executive Director chairs the Committee to ensure effective distribution of authority and increased accountability. The Board Chair serves as a Committee member contributing valuable insights into the Board's composition, succession planning and effectiveness while promoting independent leadership of the Committee's deliberations.

In the last few years, the Committee placed particular emphasis on reviewing the succession planning for senior management, to ensure continuity within the Group and growth opportunities for key members of staff.

The Nominations Committee is responsible for identifying and recommending suitable candidates on an on-going basis whose skills, experience, and leadership qualities align with the Group's strategic objectives and governance framework.

Key focus areas for the year

The Committee on an on-going basis seeks to enhance Board diversity, independence, and expertise by identifying suitable candidates or external resources to supplement the Board's skills.

The Nominations Committee is satisfied that it has discharged its responsibilities in accordance with its Terms of Reference and King IV governance principles.

The Board Chair serves as a Committee member contributing valuable insights into the Board's composition, succession planning and effectiveness while promoting independent leadership of the Commitee's deliberations.

Corporate Governance report
(continued)

Audit Committee

Membership and meeting attendance

- Mrs S Swaniker-Tettey (Chair) (3/3)
- Mr S. Ziga (3/3)
- Mr M. Mpugwa (2/3)
- Mrs J.M. Marinelli (2/3) – as invitee
- *Ms P. Disberry (1/3) *retired during the year

During the year, the Audit Committee revised its Terms of Reference to ensure continued relevance. The Committee increased oversight over whistleblowing incidents, introducing whistleblowing reports as a standing agenda item at Board meetings. It focussed on ensuring adequate resourcing of the Internal Audit Department across the jurisdictions the Group operates in and encouraging synergies across the business. It also continues to emphasise the importance of adopting Artificial Intelligence to further enhance the work carried out by the Internal Audit function.

The Audit Committee provides independent oversight of financial reporting, internal controls, risk management, and assurance processes, ensuring that these are robust and aligned with the Combined Assurance Model. This model facilitates a coordinated approach between internal and external assurance providers, offering stakeholders confidence in the integrity and reliability of financial and non-financial disclosures.

The Committee liaises closely with both internal and external auditor to assess audit findings and monitor the effectiveness of internal controls and risk mitigation measures. It reports to the Board on key recommendations, including:

- The appointment, independence, and remuneration of the external auditor;
- The review and approval of the Group's financial statements, external audit reports, and performance-related disclosures;
- Oversight of formal market announcements regarding financial performance; and
- Collaboration with the Risk & Sustainability Committee to assess the Group's risk exposure and its implications for the audit function.

Key focus areas for the year

The Committee conducted closed sessions with the internal audit team to gain deeper insights into its effectiveness, strengths, and challenges. The Committee also:

- **Reviewed the Internal Audit Strategic Plan and Performance Management framework;**
- **Assessed the alignment of subsidiary policies to promote consistency, shared learning, and the mitigation of policy gaps;**
- **Received regular reports from the Risk & Sustainability Committee;**
- **Evaluated dividend proposals in line with financial performance and capital allocation strategies; and**
- **Reviewed and approved the Group's annual financial statements in accordance with International Standards on Auditing (ISA).**

The Audit Committee engages with relevant Group Officers on an as needed basis, ensuring direct oversight of internal audit, IT governance, and cybersecurity matters to strengthen the Group's risk management and internal control environment.

The Committee is satisfied that it has discharged its responsibilities in accordance with its mandate, King IV governance principles, and regulatory requirements.

Risk & Sustainability Committee

Membership and meeting attendance

- *Ms. P Disberry (previous Chair) (1/3)
- **Mr. S. Ziga (Chair) (2/3)
- Mr.M. Mpugwa (3/3)
- Mrs. J. M. Marinelli (3/3)

*Retired during the year

- **Appointed as Chair in October 2025

During the year, the Committee enhanced its oversight by reviewing detailed aligned reports from the respective jurisdictions the Group operates in, as well as risk reporting dashboards from the Group members.

The primary role of the Risk and Sustainability Committee is to set the Group's risk tolerance levels, considering internal and external risk factors and provide oversight on Sustainability initiatives. It is responsible for overseeing a dynamic, integrated risk management framework, ensuring continuous risk assessment across the Group and its subsidiaries.

The Committee collaborates with the Audit Committee to align internal audit priorities with the Group's risk profile, ensuring that risk mitigation strategies are embedded within the Group's assurance processes. The Risk & Sustainability Committee reports to the Board on developments in the risk matrix, key exposures, and risk mitigation strategies.

To enhance risk governance, the Group's Risk Officers are invited to Committee meetings, providing in-depth reports on risk exposure, incident management, and loss trends within the Group.

Key focus areas for the year

During the year, the Committee:

- **Focussed on business continuity and succession planning practices;**
- **Reviewed the international events and factors that impact the trading environment and provide strategic guidance on how to respond to these changes;**
- **Enhanced its oversight of ESG initiatives within the Group through regular reports on initiatives being undertaken, including exploring environmental initiatives;**
- **Actively reviewed its Risk Register and Strategic Risk Registers ensuring that the risk matrix remains reflective of evolving operational, financial, and regulatory risks; and**
- **Reviewed its risk matrices and frameworks to ensure policies and implementation documents remain relevant.**

Areas of focus for the coming year will include managing ESG expectations, prioritising technology, cyber security and data protection, shifting towards future looking risk analysis and adapting to an ever-changing environment.

The Committee is satisfied that it has discharged its responsibilities in line with its Terms of Reference, King IV governance principles, and best practice risk management standards.

Corporate Governance report
(continued)

Remuneration Committee

Membership and meeting attendance

- Mr M. Mahube (6/6) (Chair)
- Mrs J. M. Marinelli (6/6)
- Dr K. Jefferis (6/6)
- Mr S Ziga (6/6)

During the year and previous few years, the Remuneration Committee engaged with industry leaders and independent experts to review and enhance the Group's Remuneration Policy.

The Remuneration Committee is responsible for establishing and overseeing the Group's remuneration framework, ensuring that remuneration structures:

- Are fair, transparent, and aligned with the Group's strategic objectives;
- Promote responsible and sustainable performance, without encouraging excessive risk-taking;
- Attract, retain, and reward key talent in a competitive and ethical manner; and
- Align executive remuneration with shareholder interests and long-term value creation.

The Committee meets to review and determine remuneration levels, benefits, and incentive structures across the Group, ensuring that performance is appropriately recognized and rewarded. The Committee also monitors the Group's approach to fair and responsible pay, as outlined in King IV, ensuring alignment between executive, senior management, and general employee remuneration.

Key focus areas for the year

The Committee:

- **Actively engaged and concluded its discussions with external stakeholders regarding the Group's Remuneration Policy, ensuring alignment with global best practices and governance expectations;**
- **Completed its review of the incentive structure for Executive Directors in line with the feedback from stakeholder engagement, ensuring alignment with performance-based outcomes and Shareholder value creation. These discussions were concluded during the year to the satisfaction of all parties; and**
- **Assessed employee remuneration structures, benefits, and reward policies, ensuring internal equity and external competitiveness.**

The Remuneration Committee remains committed to ensuring fair, responsible, and transparent remuneration practices, in line with King IV principles, international best practices, and shareholder expectations.

Areas for focus in the coming year will include strengthening the remuneration disclosure framework.

The Committee is satisfied that it has discharged its responsibilities in line with its Terms of Reference, King IV governance principles, and best practice risk management standards.

Executive Directors attend all Board-Subcommittee meetings by invitation except for the Remuneration Committee which is attended only by the Non-Executive Committee members unless the Executive Directors are required to clarify any matters at the request of the Non-Executive Directors, in which case Executives will be present for that part of the meeting where relevant. The Group Internal Auditor and the External Auditor attend all Audit Committee meetings.

Each committee considers its effectiveness through an annual review of its activities, measured against the approved terms of reference. Through the Board evaluation process, the committees of the Board have satisfied themselves that they have fulfilled their responsibilities in terms of their terms of reference for the period under review.

The Board Chair and the Group Managing Director

The role of the Chair and the Group Managing Director are two distinct and separate roles. The Chair has the primary responsibility of running the Board, whilst the Group Managing Director has the executive responsibilities for the operations of the business. These roles are formally set out in the Board charter.

Role of the Board Chair	Role of the Group Managing Director
Presides over the Board	Presides over Senior Management
Ensures that directors play a full and constructive role in the affairs of the Company	Accountable to the Board
Facilitates Board discussions to ensure that core matters are addressed	Operationalizes the Group Strategy
Promotes consultative and respectful relations between the Board and Executive management	Optimizes resources to increase Group Profitability
Ensures efficiency of the Board Composition	Ensures business growth and sustainability

The Chair is an independent Non-Executive member of the governing body, who is free of any conflict of interest. Given the nature and structure of the Board and its Sub-Committees, the Board is satisfied that the Chair provides appropriate direction for an effective Board. Mr. Mahube Mpugwa is the Lead Independent Director, who, in the event of the independence of the Chair becoming impaired or questioned, may resolve the matter at hand.

Skills matrix

The Board of Sefalana Holding Company Limited comprises astute individuals of different backgrounds, experience and qualifications. Having a Board with diverse perspectives is critical to its decision-making as it brings objective judgement and experience to the deliberations carried out. The background and qualifications of the Directors are disclosed under the Directors' profile section.

Through the Nominations Committee, the Board carries out regular evaluations to review the existing skills composition of the Board and to identify areas for enhancement of the Board. The skills matrix evaluation system strengthens our overall governance practices by identifying the current skills, knowledge and experience of the Board as well as making future plans for skills diversity.

Board diversity and balance

Sefalana Holding Company Limited enhances the decision-making of its Board by ensuring that the Board of Directors comprises a balance of power. The majority of the Board members are Non – Executive Directors, who are all independent.

This ensures that no one individual or block of individuals dominate the Board's deliberations and decision making. Non - Executive Directors bring objective judgement and experience to the deliberations of the Board.

The Board of Sefalana promotes gender diversity at Board level. As a policy and the Board has set a target of achieving a minimum of at least one third of board seats to female Non-Executive directors. The gender balance was below the target ratio at year-end following the retirement of Ms Disberry during the year.

The Board of Sefalana Holding Company Limited comprises astute individuals of different backgrounds, experience and qualifications. Having **a Board with diverse perspectives is critical to its decision-making as it brings objective judgement and experience to the deliberations carried out.**

Corporate Governance report
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Changes in the Board structure

During the year, Ms. Disberry retired at the 2025 AGM and Mr. Scheepers retired at the end of March 2026. The Board thanks Ms. Disberry and Mr. Scheepers for their service and contribution to the Group. Mr. Tsie was appointed to the Board on 1 July 2026. His appointment is proposed for ratification at the 2026 AGM. Through the Board evaluation process the Board is satisfied with its composition and current membership, albeit the desired ratio of female to male Non-Executive Directors is not achieved at year-end.

Board tenure

The Board considers, on an on-going basis the appropriateness of the mix of skills, experience, diversity and independence of each of its members.

Every year, the Board undergoes a staggered rotation of its Non-Executive directors, in line with its Constitution. Rotation of Board members ensures retention of valuable skills, maintaining continuity of knowledge and experience and introduction of people with new ideas and expertise.

Our policy on Board tenure is aligned to principles of good corporate governance. Board membership is limited to a maximum of three, three-year terms, totalling nine years. A director may then retire or continue for a further three-year term subject to a rigorous review of independence.

3 Governance Outcome: **Good Performance**

The Board has established robust governance structures, providing assurance and oversight over the Group's strategic direction, financial performance, and operational execution.

The Board is committed to driving sustainable value creation and high performance within the Group. To achieve this, the Board has established robust governance structures, providing assurance and oversight over the Group's strategic direction, financial performance, and operational execution. The Board reviewed and approved its new five-year strategy and oversaw the implementation of reporting mechanisms in line with the new strategic objectives. In light of the recent changes in the macro-economic environment, the Group will review, re-assess and update its 5-year strategy in the ensuing year.

The Board remains actively engaged in overseeing the alignment of Sefalana's corporate strategy with governance best practices, risk management frameworks, and regulatory compliance requirements. This integrated approach ensures that the Group's performance is measured not only in financial terms but also in its contribution to economic growth, social impact, and environmental sustainability.

The Board receives high-level reports on employee KPI evaluation processes. The impact of these governance measures, capital allocation decisions, financial reporting compliance, market disclosures and performance achievements is set out in detail throughout this report, reinforcing the Group's commitment to sustainable long-term growth and value creation.

The Board remains actively engaged in overseeing the alignment of Sefalana's corporate **strategy with governance best practices, risk management frameworks, and regulatory compliance requirements.**

4 Governance Outcome: Legitimacy

The Chair of the Audit, Risk & Sustainability, Remuneration and Nominations Committees, as well as the external auditors are present and available to answer questions at the Annual General Meeting and Special General Meetings, if so requested by the Chair of the Board.

The Board discloses to Shareholders through trading announcements, all proposed corporate transactions, which if entered into, would materially alter or vary the Group's net asset base or share price.

Relations with stakeholders

The Board places importance on stakeholder engagements and ensures that dialogue with stakeholders takes place and uses the Annual General Meeting to communicate with Shareholders and potential investors and encourage their participation. Frequent announcements through the press and social media platforms, the BSE News Services and mailing of information for the attention of Stakeholders are practised wherever required. The Company circulates with every Notice of General Meetings a summary of the procedures governing voting at General Meetings.

The Chair of the Audit, Risk & Sustainability, Remuneration and Nominations Committees, as well as the external auditors are present and available to answer questions at the Annual General Meeting and Special General Meetings if so requested by the Chair of the Board.

The Annual General Meeting (AGM) of Sefalana Holding Company was held on Friday 31 October 2025 at 16h00. The Annual General Meeting proceedings were conducted in accordance with the Companies Act and the Constitution of the Company. There were no restrictions on any shareholder casting votes on any of the resolutions at the AGM.

Shareholders present in person and by proxy were 223,486,771 representing 89% of the total issued share capital. All of the resolutions were passed by a majority of the votes exercised.

The Board discloses to Shareholders through trading announcements, all proposed corporate transactions, which if entered into, would materially alter or vary the Group's net asset base or share price.

Sefalana hosts, biannually, a presentation of the Groups' annual and half year financial results. This is an interactive session with all stakeholders, including but not limited to Shareholders, asset managers, bankers, institutional investors and the media. An open questions and answer session is held for the stakeholders to openly interrogate management on all areas of the business.

Through stakeholder engagement, regulatory compliance and transparent disclosures, the Group strengthens governance effectiveness and improves transparency and accountability.

Corporate Governance report
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Sefalana, being a company regulated by the BSE (BSE) has key requirements, frameworks and best practice codes including; BSE Equity Listing Requirements; King IV Report on Corporate Governance for South Africa 2016 and International Financial Reporting Standards.

Compliance management

During the year, the Board reviewed and approved the Group Compliance Policy, which sets out the philosophy and approach to Compliance Risk Management for the Group. Sefalana is committed to managing compliance risks in an objective, independent, and pragmatic manner, ensuring that the Group conducts business ethically, responsibly, and in adherence to all applicable regulatory frameworks.

The Board provides strategic oversight on compliance through the Group Compliance Policy and associated Framework, which defines the mechanisms for governing and managing adherence to both mandatory legal requirements and voluntary non-binding rules, codes, and standards that the Group has adopted. Sefalana seeks to approach Compliance Risk Management in an objective, independent and pragmatic manner, that enables business to do the right business the right way.

The Board assumes the responsibility for governing compliance in a way that supports being an ethical and good corporate citizen. Through the Compliance Policy, the Board sets out the arrangements for governing and managing compliance with non-binding rules, codes and standards adopted by the Group.

Sefalana, being a company regulated by the Botswana Stock Exchange (BSE) has key requirements, frameworks and best practice codes including; BSE Equity Listing Requirements; King IV Report on Corporate Governance for South Africa 2016 and International Financial Reporting Standards.

During the year, the Risk and Compliance team continued and re-emphasised the importance of compliance through regular reporting to the Board. This has strengthened Group-wide transparency and oversight on adherence to applicable laws, industry codes, and emerging governance standards.

The Board is kept informed of evolving regulatory landscapes, with updates on new and emerging legislation. By adopting a forward-looking approach to risk management, the Board is proactively positioned to anticipate regulatory changes and align Group policies with global best practices.

The responsibility for the implementation and execution of effective compliance management has been delegated to Executive Management.

To enhance governance oversight, the Risk Officer reports to the Risk & Sustainability Committee, which Committee provides reports to both the Audit Committee, and the Board.

Compliance with corporate governance codes

In order to ensure that the highest standards of Corporate Governance are observed, Sefalana operates within the King IV governance code which we believe identifies all the elements of a sound approach to governance and responsibility. We endeavour to provide our Shareholders and other stakeholders with the confidence and assurance that Sefalana is a well-managed and responsible company.

Sefalana has carried out an assessment of its compliance to King IV and sets out the outcomes of such compliance in the table below

KING IV

	Principle	Assessment
1	**The governing body should lead ethically and effectively.**	The Board of Directors is the governing body of the Group, assuming ultimate responsibility for ethical and effective leadership in line with its fiduciary duties and corporate governance obligations. Directors demonstrate integrity, competence, and accountability, ensuring that decisions are made in the best interests of the Group and its stakeholders. Ethics is embedded into strategy and operations through the annual review of the Ethics Policy and Code of Conduct, which are then cascaded down in their amended version to the Group. Ethics training and communication is provided to members of the Group through internal training and communication. Ethics are monitored through exceptions noted and reported to the Risk & Sustainability Committee, whistleblowing reports presented to the Audit Committee, and findings from both Internal and External Audit. The Board conducts an annual self-evaluation, assessing its collective performance, as well as that of its subcommittees and individual directors. This process enables the Board to hold itself accountable and continuously improve its effectiveness. Through the Nomination Committee, the Board ensures that: ✓ Directors possess the appropriate skill sets and expertise, enabling informed decision-making and strategic oversight. ✓ Independence and objectivity are maintained, with quarterly declarations of interests to proactively manage conflicts. ✓ The Board's Terms of Reference, including subcommittees, are reviewed and updated annually to align with global best practices and emerging governance trends. The Group enforces closed period trading restrictions, ensuring compliance with insider trading regulations. The Board prioritizes proactive and open communication with stakeholders, reinforcing its commitment to ethical governance and trust-building.

The Board conducts an annual self-evaluation, assessing its collective performance, as well as that of its subcommittees and individual directors. **This process enables the Board to hold itself accountable and continuously improve its effectiveness.**

Corporate Governance report
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	Principle	Assessment
2	**The governing body should govern the ethics of Sefalana in a way that supports the establishment of an ethical culture.**	The Board is governed by a Board Charter, which incorporates principles of effective and responsible leadership. The Board Charter is reviewed annually to ensure that governance practices remain current, effective, and aligned with best practices. Sefalana's Ethics Policy and Code of Conduct is reviewed and updated annually to reflect the implementation of ethical standards and the guiding principles that underpin the ethical practices across the Group. This policy forms the foundation for the ethics policies of the subsidiaries. The Group Code of Conduct serves as a dynamic guide, establishing expectations for management, employees, and third parties, ensuring that the ethics policy is effectively executed. The Whistleblower Policy is also integrated into the Group's Ethics Framework. The Audit Committee is responsible for overseeing the Group's whistleblowing arrangements, ensuring that there are clear processes for reporting and investigating incidents. The Committee oversees a proportionate and independent investigation process is in place for reported matters.. Group HR provides regular reports to the Board, summarizing incidents of unethical behaviour, providing oversight and guidance on ethical issues, including remedial action taken. The Risk & Sustainability Committee receives regular Risk Reports from subsidiaries, which outline emerging incidents of unethical behaviour, within the Risk framework, highlighting disciplinary trends. During the reporting period, the Board focused on reviewing and refining its whistleblowing structures, further embedding the application of the Code of Conduct with third parties, including service providers to the Group and other external stakeholders. The Board is committed to ensuring the full implementation of the Code of Conduct across all operations of the Group. Looking forward, the Board plans to focus on proactively monitoring incidents of unethical behaviour through feedback on reports received, ensure that whistleblowing mechanisms are implemented effectively, and refine its processes for recognising and managing emerging ethical risks.

The Board is committed to ensuring the full implementation of **the Code of Conduct across all operations of the Group**

	Principle	Assessment
3	**The governing body should ensure that Sefalana is and is seen to be a responsible corporate citizen.**	The Board is committed to ensuring that the Company acts as a good corporate citizen, in alignment with the Group's overall strategy. The Board ensures that the Group supports and invests in the well-being of the economy, society, and the natural environment, which it operates within. The Group is now able to use the roadmap previously developed to guide activities, ensuring Sefalana is a responsible corporate citizen. During the reporting period, the Board has reviewed the various initiatives, which are focused and aligned to the roadmap and ESG goals. The Group has identified pillars and goals that it seeks to measure its performance as a good corporate citizen against. The Group has a programme dedicated to receiving, reviewing and implementing community support initiatives. The focus area of the programme is reviewed annually. Being a good corporate citizen is key to sustainable growth, which underpins the strategic intent of the Group. The Risk and Sustainability Committee provides Board oversight into the organisation's societal, environmental and economic impact. Looking ahead, a key focus area will be actively reviewing and assessing the ESG initiatives the Group implements and supports, to ensure they provide the most effective support where the Group operates in challenging times.
4	**The governing body should appreciate that Sefalana's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.**	The Board is responsible for steering and setting the strategic direction of the Group in a manner that balances short, medium, and long-term objectives while creating sustainable value for all stakeholders. The Board monitors the implementation of strategy through the Group Strategy Coordinator, who provides quarterly updates on strategic execution and progress. The Group Internal Auditor reports to the Audit Committee at each of its meetings, ensuring independent assurance on internal controls, governance, and risk management. The Risk and Compliance Officer provides oversight on compliance, risk identification, and mitigation measures by reporting to the Risk & Sustainability Committee on a regular basis. The interdependencies between financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital—along with the broader external environment—are disclosed in the Group Managing Director's Report, Group Finance Director's Report, and Annual Financial Statements. These reports provide insight into how the Group integrates these capitals into decision-making to drive performance, manage risks, and ensure long-term sustainability. During the reporting period, the Group Rolled out its new 5-year strategy, including mechanisms for measuring and reporting on performance outcomes. The new strategic goals and performance are reported to the Board at each of its meetings, providing a snapshot view of performance against the strategic goals, with relevant explanations.

Corporate Governance report
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Sefalana also ensures that stakeholders remain informed on material developments through ad hoc **publications on the BSE X-News platform, allowing for timely and transparent disclosures on matters of immediate interest.**

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Principle	Assessment
The governing body should ensure that reports issued by Sefalana enable stakeholders to make informed assessments of Sefalana's performance, and its short, medium and long term prospects.	Sefalana is committed to transparent, balanced, and accessible communication with its stakeholders. The Group's annual report provides comprehensive commentary on performance, strategy, and external environmental factors. In addition to the annual report, the Group publishes half-year and year end results that include detailed financial and operational performance updates for each business unit. These reports enable stakeholders to assess performance. The annual report is prepared in accordance with King IV principles, the BSE Listing Requirements, and international best practice. Sefalana also ensures that stakeholders remain informed on material developments through ad hoc publications on the BSE X-News platform, allowing for timely and transparent disclosures on matters of immediate interest. Recognizing the importance of stakeholder engagement, Sefalana actively leverages its social media platforms to engage with various stakeholder groups. The Group promotes open communication with investors and analysts, through planned engagements, and responsive communication with shareholders and analysts throughout the year. To enhance historical transparency and comparability, the Sefalana website hosts a repository of past annual reports, allowing stakeholders to track the Group's long-term performance, governance evolution, and strategic progress over time.

	Principle		Assessment
6	**The governing body should serve as the focal point and custodian of corporate governance in the Group.**		The Group is governed by a Board that provides ethical and effective leadership, as outlined in the Board Charter. The Board exercises independent and informed judgement, ensuring effective direction, governance, and control over the Company. To enhance effective oversight, the Board delegates certain responsibilities to its Board Committees. Each committee has a formal charter setting out their mandates, responsibilities, and decision-making authority. These committees provide specialized oversight, ensuring robust governance, compliance, risk management, and ethical leadership across the Group. The Board meets at least four times annually, with additional meetings convened as necessary. The agenda for each meeting is structured to ensure strategic discussions, risk assessment, and governance reviews, with adequate time allocated to consider matters of significance, including those affecting subsidiary companies. To support informed decision-making, Board members receive comprehensive meeting packs and reports in advance. These materials provide insight into financial performance, operational activities, risk factors, and governance matters, allowing directors to exercise their oversight role effectively. The Board follows an annual work plan, which ensures a structured, proactive, and forward-looking approach to governance. This plan aligns with strategic objectives, risk management priorities, regulatory requirements, and best governance practices. Board meeting attendance remains consistently high, and members are encouraged to engage in ongoing discussions beyond scheduled meetings, particularly when material decisions require deeper deliberation. The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board Charter and King IV governance principles, ensuring the long-term sustainability and ethical governance of the Group.
7	**The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.**		The Board ensures an appropriate balance of power, skills, experience, diversity, and independence in its composition, in line with King IV, the BSE Listing Requirements and its Constitution. All Non-Executive Directors (NEDs) are independent, ensuring objective oversight and effective governance. The Chair of the Board is independent and non-executive, providing unbiased leadership and ensuring that the Board functions effectively. The Lead Independent Director (LID), Mr. Mpugwa plays a critical role in instances where the Board Chair is conflicted or otherwise unable to act, ensuring continued independent oversight. The Nominations Committee meets periodically to review the composition, diversity, and appropriateness of the Board. This process ensures that the Board maintains a balance of relevant skills, industry expertise, and diversity, in alignment with good governance principles. The annual report provides a comprehensive overview of each Board member's qualifications, skills, and experience, offering stakeholders insight into the governance expertise and leadership capabilities of the Board.

Corporate Governance report
(continued)

	Principle	Assessment
8	**The governing body should ensure that its arrangements for delegation with its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.**	The Board has 4 Sub- Committees being the Audit Committee, Risk & Sustainability Committee, Remuneration Committee and Nominations Committee. Each Committee is chaired by an Independent Non-Executive Director. Each Committee has a clear mandate, delegated authority, and structured reporting procedures to support effective governance and oversight. The Committee Charters are reviewed annually to ensure continued relevance, alignment with King IV, and adherence to best governance practices. Each committee operates independently yet collaboratively, ensuring that key governance functions are carried out with transparency and accountability. During the reporting period, the Board and its committees confirm that they have effectively fulfilled their responsibilities in accordance with their respective Terms of Reference.
9	**The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.**	The Board conducts annual evaluations to assess its collective and individual performance, including that of its committees and members. These evaluations provide a structured and objective assessment of the Board's effectiveness, governance practices, and ability to fulfil its responsibilities in line with King IV principles and the Group's strategic objectives. The evaluation process measures Board effectiveness & composition, governance & accountability, Board & Management engagement, Stakeholder engagement, Committee Performance, and individual self-evaluations. Through this process, the Board identifies areas for growth and continuous improvement, ensuring an adaptive and forward-thinking leadership approach that supports the Group's long-term sustainability and stakeholder value creation. The Board confirms that the latest evaluations have been completed, with results indicating that governance structures remain effective and aligned with best practices, and no significant deficiencies were identified during the reporting period.

Succession planning remains a key focus area, ensuring that the long-term success and sustainability of the **Group are not reliant on any single or few key individuals. The roles of CEO and Chair are separate, reinforcing effective governance structures and preventing conflicts of interest.**

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Principle	Assessment
The governing body should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board ensures that Directors act with independence of mind, exercising their fiduciary duties in the best interests of the Company. Directors declare their direct and indirect interests at each Board meeting, and the Company Secretary maintains a register of Directors' interests, ensuring transparency and compliance with governance best practices. Succession planning remains a key focus area, ensuring that the long-term success and sustainability of the Group are not reliant on any single or a few key individuals. The roles of CEO and Chair are separate, reinforcing effective governance structures and preventing conflicts of interest. While the CEO is granted certain decision-making authority, the Board retains oversight, with decisions exceeding a set threshold subject to Board approval. Board appointments follow a formal, transparent process, led by the Nominations Committee, and are subject to shareholder approval. Succession planning frameworks are in place for all Executive Directors, including the CEO. The Company Secretary serves as the custodian of corporate governance within the Group. The Company Secretary ensures that the Board and its Committees receive independent governance guidance, legal and regulatory updates, and compliance support. The Company Secretary also plays a key role in facilitating Board and Director training and development, as well as ensuring adherence to Group policies, charters, and governance frameworks. The appointment of the Company Secretary is a matter for the Board, ensuring that the role is filled by a suitably qualified and experienced individual. The Board has direct and unfettered access to the Company Secretary, who operates independently of management and maintains an arms-length relationship with the Board. The Board has reviewed the competence, qualifications, and experience of the Company Secretary and is satisfied that they remain effective in discharging their duties.

Corporate Governance report
(continued)

	Principle		Assessment
11	**The governing body should govern risk in a way that supports Sefalana in setting and achieving its strategic objectives.**		The Audit Committee and Risk & Sustainability Committee play a critical role in ensuring that the Internal Audit function and the Risk and Compliance function are adequately resourced, have sufficient budget allocation, and hold the necessary authority to effectively discharge their responsibilities. The Head of Internal Audit reports directly to the Audit Committee, ensuring independence and objectivity in financial and operational assurance. The Group Risk and Compliance Officer reports directly to the Risk & Sustainability Committee, which in turn provides reports on key risk areas to the Audit Committee. Both Committees operate in accordance with their statutory duties and the Board's delegated authority, as outlined in their respective Charters. The Risk & Sustainability Committee oversees the development and implementation of risk policies. Risk assessments are conducted on a continuous basis, with findings reported to the Board via the Risk & Sustainability Committee. This ensures proactive risk management, where risks can be identified, assessed, and mitigated in alignment with the Group's strategic objectives. During the current year, key areas of focus included reviewing and updating the risk register, enhancing the Strategic Group Risk Register and actively reporting on international influences on the local risk environment, and developing mitigation measures. Going forward, the Board will focus on risks impacting business growth and resilience and developing measures and initiatives that provide for sustainable value creation in volatile times.
12	**The governing body should govern technology and information in a way that supports Sefalana in setting and achieving its strategic objectives.**		The Board has formally endorsed the Group IT Policies and Procedures, which are designed to align with the Group's strategic objectives. The Group IT Manager reports to the Audit Committee at all its meetings, ensuring transparency and effective oversight of IT matters. The Board ensures that the IT strategy is seamlessly integrated into the Group's overall strategic and business processes. IT investments and initiatives are therefore aligned with the achievement of the Group's business objectives. The IT Roadmap provides a guide, which can be changed as circumstances require, against which IT performance is measured. The Audit Committee mandates Management to oversee the implementation and monitoring of the IT governance framework within the Group. This framework is essential in guiding the effective and efficient management of IT resources, facilitating the achievement of the Group's goals, and ensuring the management of IT-related risks. A key focus is on proactive measures to safeguard the Group against evolving IT threats, ensuring data protection and robust cybersecurity practices. The Group encourages continuous innovation in IT to drive value creation and sustainability. The Head of Corporate Services and the Group IT Manager represent IT at Audit Committee meetings. Detailed feedback on the IT governance framework and regular progress reports are provided to the Audit Committee, ensuring that any identified IT risks are effectively managed and mitigated.

	Principle	Assessment
13	**The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Sefalana being ethical and a good corporate citizen.**	The Company is committed to complying with applicable laws and non-binding rules. The Company Secretary certifies the Company's adherence to these legal and regulatory requirements. In addition, the Company seeks professional legal advice as needed to ensure ongoing compliance with evolving legal frameworks. The Risk & Compliance Officer reports to the Risk & Sustainability Committee, including compliance registers for the various business units. This provides practical monitoring by the Board, and an ongoing means to evaluate the effectiveness of compliance management within the Group. During the reporting period, the compliance function adopted a risk-based approach, prioritising high-impact areas including data protection, labour relations, and financial reporting compliance. As the Group's operations expand beyond Botswana's borders, the focus has been to ensure continued compliance with laws and regulations in all countries where the Group and its subsidiaries operate. This is reinforced by cascading compliance policies and the adoption of international best practices to align the Group with global standards. Planned areas of focus include reviewing automation tools to enhance compliance, and adopt continuing compliance training programmes to strengthen the compliance culture in the organization and expand training to third party suppliers.
14	**The governing body should ensure that Sefalana remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.**	The Company has adopted remuneration practices that are aligned with the Company's strategy, focusing on creating long-term value for both the business and its stakeholders. The Remuneration Committee assists the Board in setting and administering the remuneration policy, ensuring that it is consistent with the Company's goals and long-term sustainability. The Board is committed to offering fair, competitive, and market-related remuneration to attract, retain, and motivate talented employees at all levels. The remuneration structure is designed to reflect performance outcomes and drive behaviour that supports the Company's strategic objectives. Performance targets are set relative to the budget, with benchmarks against prior-year results. These targets include a performance range that incentivizes outperformance, while establishing minimum performance levels to ensure that poor performance is not rewarded. In line with the Group's values, the Company is committed to paying above the minimum wage in all countries where it operates. This policy reflects the Group's commitment to fair labour practices and promoting responsible corporate citizenship by supporting economic sustainability in the communities in which it operates.

Corporate Governance report
(continued)

15	Principle	Assessment
	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of Sefalana's external reports.	The Audit Committee is responsible for ensuring the comprehensive implementation of, and adherence to, internal controls within the Group. Internal Audit provides a written assessment of the effectiveness of these internal controls to the Audit Committee annually, ensuring continuous improvement and oversight. The Group fosters strong collaboration between assurance providers, ensuring effective coordination between Internal Audit and External Audit. The Internal Audit team was enhanced during the year to improve its capacity and increase reliance on its work by External Audit. The Group is committed to a zero-tolerance approach to fraud and corruption across all its activities. A comprehensive anti-fraud programme, which incorporates prevention, detection, investigation, and resolution, is coordinated through Internal Audit. This program ensures that incidents of fraud are identified and addressed promptly. Instances of fraud or unethical behaviour are reported through the Anonymous Tip-off line, which provides a confidential channel for whistleblowers. These reports are investigated, and outcomes are communicated to the Audit Committee and the Board. To ensure appropriate oversight, whistleblowing remains a standing agenda item at the Committee meetings. The Board has delegated oversight of the Group's risk management function to the, Risk & Sustainability Committee, which provides reports to the Audit Committee. This ensures that risk-related issues are addressed at the highest level. Both Committees provide reports to the Board. The Audit Committee also approves the annual internal audit plan, ensuring alignment with key business risks and strategic priorities. The Group Internal Auditor and the Risk & Compliance Officer report directly to their respective Committees at all their meetings, providing regular updates on the Group's risk and control environment.

16	Principle	Assessment
	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Board, through the Sefalana Group Strategy, actively monitors and addresses legitimate stakeholder interests and expectations, to achieve the Group's strategic objectives and long-term sustainability. The Board promotes proactive stakeholder engagement, by encouraging attendance at Annual General Meetings (AGMs) and also through informal channels such as direct contact, presentations, advertising, and press releases. Feedback from various stakeholders—including suppliers, employees, consumers, local authorities, and communities—is regularly communicated to the Board via Management. This enables the Board to stay informed and responsive. The Group remains adaptable, supportive, and engaged in the communities in which it operates. The Sefalana website serves as a continuous source of information about the Group, providing stakeholders with timely updates and insights. Social media platforms enhance interaction and engagement, fostering ongoing dialogue with a wide range of stakeholders. Sefalana is committed to regular engagement with stakeholders, including suppliers, employees, consumers, governments, local communities, and institutional investors, recognizing this as a key component of good corporate governance practices. Institutional investors have direct engagement with the Board regarding governance-related matters, and such discussions are also held during the Annual General Meeting. The Board takes these opportunities to address investor concerns and incorporate feedback into governance reforms and strategy. Sefalana encourages robust stakeholder engagement through various forums, ensuring open channels for dialogue with shareholders, suppliers, employees, the public, and other key stakeholders, further supporting the Group's commitment to transparency and responsible governance.

Corporate Governance report
(continued)

The Board is responsible for embodying and promoting the desired corporate culture. It defines the company's purpose, values, and strategy, ensuring that these are aligned with the company's culture. Directors are expected to act with integrity, lead by example, and foster a culture of accountability and transparency.

The UK corporate governance code

While not a statutory requirement, Sefalana has strived to align its governance framework with the UK Corporate Governance Code (formerly known as the Combined Code) alongside adherence to local legislative requirements. The current version of the Code is the 2018 UK Corporate Governance Code, was revised in 2024 and applies to financial years commencing from 1 January 2025. These changes are not considered significant to the Group.

In light of recent local and global corporate governance failures and misconduct, Sefalana recognizes the importance of adopting robust governance frameworks to drive long-term sustainable performance. The decision to align with the UK Corporate Governance Code was made due to the similarities between the UK's legal system and governance models, especially with regard to the Shareholder model of ownership and control. The UK Corporate Governance Code outlines standards of good practice for listed companies, and its overarching principles—leadership, accountability, capability, sustainability, and integrity—mirror those set out in the King IV Code.

Board leadership and company purpose

The Board is responsible for embodying and promoting the desired corporate culture. It defines the company's purpose, values, and strategy, ensuring that these are aligned with the company's culture. Directors are expected to act with integrity, lead by example, and foster a culture of accountability and transparency.

The Board ensures that workforce policies and practices are consistent with the company's values and contribute to its long-term sustainable success. It encourages an environment where the workforce is empowered to raise concerns regarding corporate governance and business practices.

Additionally, the Board actively engages with Shareholders and stakeholders, ensuring effective communication and participation. The Board fosters transparency in decision-making, allowing for stakeholder feedback to influence the company's strategic direction.

Division of responsibilities

The Board is composed of an appropriate balance of Executive and Non-Executive Directors to prevent any individual or group from dominating decision-making processes. There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the company's business operations.

The Chair, who leads the Board, has a distinct role from that of the CEO, ensuring a balance of power and independence. Non-Executive Directors are allocated sufficient time to fulfil their responsibilities, offering constructive challenge, providing strategic guidance, specialist advice, and holding management accountable for performance and risk management.

Composition, succession, and evaluation

Director appointments and succession plans are based on merit, objective criteria, and promote diversity across gender, ethnicity, cognitive strengths, and personal backgrounds. The Nomination Committee plays a key role in overseeing these processes, with a focus on developing a diverse pipeline for future succession.

Succession planning remains a key priority and will be further developed throughout the coming year, ensuring the company is well positioned to achieve its long-term objectives with a sustainable leadership structure.

Audit, Risk, and Internal Control

The Board has established formal and transparent policies and procedures to maintain the independence and effectiveness of the internal and external audit functions. It ensures the integrity of financial statements and provides a fair, balanced, and understandable assessment of the company's financial position and prospects.

The Board oversees risk management practices, ensuring that a comprehensive internal control framework is in place to mitigate financial, operational, and strategic risks. It identifies the principal risks to achieving the company's long-term strategic objectives and establishes the nature and extent of the risks the company is willing to take.

The Audit and Risk & Sustainability Committees ensure the effectiveness of risk management and internal controls, providing regular reports to the Board on these matters.

Remuneration

The Board recognizes the importance of remuneration policies that align with the company's culture, values, and long-term strategic goals. The Remuneration Committee is responsible for reviewing workforce remuneration, executive pay, and incentive policies to ensure they incentivize sustainable performance and reflect the company's culture.

The Committee ensures that Executive remuneration is linked to performance, including the use of long-term incentive structures, with a minimum vesting and post-vesting holding period of three years. This encourages Executives to focus on long-term value creation.

The above principles are very much consistent with the King IV principles and by adhering to these general principles of corporate governance. Sefalana as a leading listed company strengthens the control of its business, public accountability and transparency, and therefore meets the international standards of corporate governance whilst retaining the essential spirit of enterprise.

Remuneration Report

Over the last five years the Sefalana Remuneration Committee has actively reviewed remuneration throughout the Group. **Considerable effort has been placed on aligning the remuneration structures and policies across all our subsidiaries.**

We are now fully aligned and comfortable that our structures are fair and equitable and adequately reflect performance.

The average increase awarded ranged between 5% and 6% depending on role, company performance and individual performance. Inflation in the Region was around 3-6% for the period.

We are pleased to report

that we continue to pay our staff above the minimum wage in all territories in which we operate.

In arriving at the remuneration increases for the current year, the Remuneration Committee (Remco) has ensured that the relatively lower earning employees have been awarded increases of between 15% and 23% on average at each of our subsidiaries. Although this has adversely impacted profitability for the Group, we believe this is necessary in recognition of the increased cost of living in recent times.

Our citizen employment has remained at just over 99%, with less than a 1% expatriate complement. Total staff employment by the Group at the reporting date amounted to 8,272, an increase of 100 compared to the prior year.

The average increase awarded for other staff ranged between 5% and 6% depending on role, company performance and individual performance. Inflation in the Region was around 3-6% for the period.

In terms of gender balance, we aim for an approximate equal split across the Group and will report on this annually as part of our ESG framework.

We are pleased to report that our extensive engagements with Asset Managers and Shareholders regarding remuneration were satisfactorily concluded during the year.

Executive remuneration

Executive remuneration is structured to ensure it remains appropriate and aligned to Shareholder value creation.

This has been achieved through a series of detailed and extensive benchmarking exercises carried out initially by the Remco, and subsequently by the appointment of two independent third-party experts.

The remuneration structure and incentive model have been updated to incorporate the advice from the experts and encapsulates best practice across the region and globally.

Incentivising Executive Directors to drive Shareholder value-creation

The overall remuneration structure is designed to be aligned with Shareholder value creation, while offering adequate motivational and retention value for key personnel, ensuring they continue to excel and deliver against set targets.

Both a short term and a deferred remuneration component is in place for the Group Managing Director (GMD) and Group Finance Director (GFD) given their critical roles in the sustainable long-term growth of our Group.

Considerable updates to the remuneration structure for the GMD and GFD have taken place during the last five years incorporating feedback from Asset Managers representing our Shareholders and also from the third-party experts in the field of Executive Remuneration.

Executive Directors

Benchmarking exercises

i First exercise – financial year 2021/22

During the 2021/22 financial year, an internal benchmarking exercise was carried out by the Remco in respect of the GMD and GFD remuneration packages. This benchmarking was initially based on BSE listed entities, however, due to the lack of directly comparable entities that have similar sector exposures, this benchmarking review was extended to information pertaining to 120 JSE listed entities.

This review ("2022 Benchmark exercise") was based on detailed analysis and reports issued by two of the Big 4 auditing firms in South Africa. The one report focused on Total Guaranteed Packages (TGP) and the other on Total Overall Packages (TOP). These are publicly available reports.

ii Second exercise – financial year 2022/23

During the 2022/23 financial year, following recommendations from certain of our Shareholders, a further benchmarking exercise ("2023 Benchmark exercise") was carried out. This was done through the appointment of Bowmans SA, remuneration experts in South Africa. This expert has extensive experience in HR related matters and Executive pay across the Region.

The reports issued by Bowmans SA largely corroborated the conclusions arrived at from the 2022 Benchmark exercise but was specific to the Sefalana Group, its nature of operations, its complexity and relevant comparatives.

The outcome of this review suggested that for both the GMD and the GFD, their TGP, and their TOP were below that of the relevant comparatives in both the lower quartiles and median values.

Whilst the overall total packages suggested by the Bowmans SA report were broadly in line with those suggested from the 2022 Benchmark exercise, the 2023 Benchmark review emphasized a need to increase the proportion of the deferred component of remuneration in the TOP. It also recommended a revision to the metrics applied in the incentive model.

These recommendations were then incorporated and reflected in both the 2023 and 2024 year-end remuneration awards.

Remuneration report
(continued)

iii Third exercise – financial year 2024/25

During the 2024/25 financial year, and following requests from certain of our Shareholders, yet another benchmarking exercise ("2025 Benchmark exercise") was carried out. This was done through the appointment of another well reputed remuneration expert in South Africa, Khokhela Remuneration Advisors (Khokhela). This expert also has extensive experience in Executive pay across the Region.

The reports issued by Khokhela corroborated the conclusions from the 2022 and 2023 Benchmark exercises, with further advice and recommendations on amendments to the weighting of the revised metrics applied in the Remuneration model.

Remco and the Board are satisfied that the 2022, the 2023 and the 2025 Benchmarking exercises have resulted in a more market - based remuneration package for the GMD and GFD, and that the revised metrics are better aligned to current best practice and Shareholder value creation.

The Remuneration structure for the Executive Directors is as follows:

a) Total Guaranteed Package (TGP)

Monthly salary

All Executive Directors are paid a salary for services rendered to the Group. These are market based and are determined by the Remco after considering the detail of the role, the responsibilities assumed, and individual performance. Salaries are reviewed annually, with appropriate increases applied (with inflation as a basic guideline).

Benchmarking is done periodically and at least every 5 years. The next detailed benchmarking exercise will take place in 2030 unless a need for it arises before then.

Any proposed changes to structure are put forward to the main Board for final approval.

For the GMD and GFD, this component will represent approximately 1/3 of TOP in a year where all relevant targets are met.

This component of remuneration usually represents between 1/3 to 1/2 of TOP each year for Executive Directors other than the GMD and GFD.

For the current year, the GMD had been awarded a 14.8% increase to his TGP; the GFD was awarded an 8.8% increase, both effective 1 May 2025. The two Executives had not received an increase in their TGP for the previous three years (since 1 May 2022).

For the ensuing year, both the GMD and GFD have been awarded a 10.7% increase to their TGP; effective 1 May 2026, in line with the latest inflation rates published.

Other benefits

All Executive Directors receive a pension contribution made by the company at 7.5% of the salary amount into the Sefalana Group Staff Pension Fund.

All Executive Directors, except for the GFD, are provided with a company car.

b) Incentives (performance awards)

In addition to the TGP, Executive Directors are entitled to an annual bonus award, provided certain financial (turnover and profit before tax) threshold percentages are achieved.

If these thresholds are not met, the Executive Directors are not entitled to a bonus for that year. If the Executive Director is entitled to a bonus for the respective year, the amount due to the Executive Director is determined by a set formula.

For the GMD and the GFD, because they oversee the performance of a wider number of subsidiary companies spanning a range of industries, their incentive formula is based on a number of metrics relating to the statement of comprehensive income and the statement of financial position of the Group.

These metrics were updated in the 2022/23 financial year following the Benchmarking exercises carried out by Bowmans. Their relations weightings were updated following the recommendations from Khokhela in 2024/25.

The metrics applied in arriving at annual incentives for the GMD and GFD for the prior year were as follows:

Metric	Threshold	Target	Stretch	Weighting
Revenue growth	✓			30.0%
PBT growth			✓	30.0%
EPS growth			✓	10.0%
ROCE (operating profit / opening net assets)		✓		10.0%
Sustainability measures		✓		20.0%

For the current year the weightings of each of the metrics were updated following further discussion with Shareholders. The current year awards were based on performance as indicated below:

Metric	Threshold	Target	Stretch	Weighting
Revenue growth			✓	35.0%
PBT growth				27.5%
EPS growth				27.5%
Sustainability measures		✓		10.0%

The ROCE metric was moved to the LTI (see below).

The metrics applied emphasises the importance of the consolidated Group results being aligned to Shareholder value creation.

By focusing on these Key Performance Indicators, the Remco is satisfied that this alignment is in place.

This component of remuneration usually averages 1/2 to 1/3 of TOP each year for Executive Directors other than the GMD and GFD.

The Incentive arrived from the model for the GMD and GFD is split into Short Term Incentives and Long-Term Incentives.

(i) Short Term Incentive – STI

Executive Directors (other than the GMD and GFD) are paid their full incentives in cash.

For the GMD and GFD, 45% (2025 : 50%) of the total Incentive award for any year is paid in cash as the STI. The balance is deferred.

The STI approximates to 1/3 of TOP each year in a year where all relevant targets are met.

(ii) Long Term (Deferred) Incentive (LTI)

55% (2025 : 50%) of the total Incentive for the GMD and GFD is deferred as the LTI which vests after a three-year period.

The deferred remuneration is designed to retain those considered to be critical to the Leadership team and incentivises the drive for long term growth and value creation for Shareholders.

The LTI is payable on completion of the 3-year service post award. The vesting of the deferred shares was not previously subject to the satisfaction of any additional performance conditions.

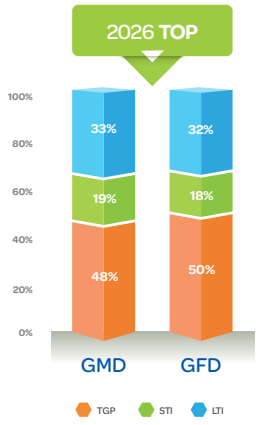
Remuneration report
(continued)

For the current year, the LTI deferred to be payable in 2029 will be subject to the following two performance conditions incorporated in the model which will impact the LTI payable.

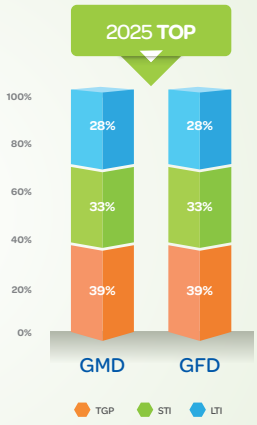
Metric	Weighting
Total Shareholder return (TSR)	50%
ROCE (operating profit / opening net assets)	50%

Targets will be set against which performance will be assessed at vesting. This will result in an adjustment to the LTI accordingly.

The LTI will approximate to just over 1/3 of TOP each year (assuming "on target" performance). In previous years, this component constituted less than 1/5 of the TOP. This relative increase in the proportion of deferred consideration is consistent with recommendations received from certain of our Shareholders.



The split of TOP for the current year and the prior year is shown below illustrating the shift towards a greater portion being deferred to the LTI.



TOP for the Executive Directors is presented on page 151.

At April 2026, the number of shares previously awarded that will vest in the future are as follows:

Award date	Vesting date	GMD	GFD
April 2024	April 2027	335,604	248,347
April 2025	April 2028	430,216	318,360
April 2026	April 2029	266,406	186,785

As at April 2025, the number of shares previously awarded that will vest in the future were as follows:

Award date	Vesting date	GMD	GFD
April 2023	April 2026	512,638	379,352
April 2024	April 2027	335,604	248,347
April 2025	April 2028	430,216	318,360

Explanation of performance measures

The measures selected for Executive Directors running the FMCG businesses are based on the two most relevant measures in the industry, that of Turnover and Profit before tax, and also certain ESG measures.

Turnover and Profit before tax have always been the Key Performance Indicators for our business and is used by most similar organisations worldwide. We have found these two measures to be the most appropriate and have resulted in a solid track record of growth over the years.

For the GMD and GFD, who not only support the growth of the FMCG businesses, but also the other sector businesses (eg property, motor etc), and are responsible for business development and evaluating prospective new opportunities, the Board is of the view that a wider set of measures are applicable, both from a financial and an Environmental, Social and Governance (ESG) perspective.

The Benchmarking exercises of 2022, 2023 and 2025 have assisted in identifying those best practice measures which are now encompassed in the incentive formula going forward. ESG measures are still being developed as suitable baseline measures need to be established.

'Target' performance has typically been set in line with the business plan for the year, with threshold to stretch targets set around this, based on a sliding scale which takes account of relevant commercial factors.

'Stretch' performance relates to exceptional growth or attainment and results in a larger incentive award.

'Threshold' targets are set at levels below which no incentive would be payable.

The weighted average score for all measures meeting Target would amount to 100%. At the Threshold this would be 50% and at the Stretch it would be 150%. This would be the maximum possible score.

The weighted average score driving the Incentives for the current year amounted to 63% (2025: 119%).

'Target' performance has typically been set in line with the business plan for the year, with threshold to stretch targets set around this, based on a sliding scale which takes account of relevant commercial factors.

Remuneration report
(continued)

Approach to annual target-setting.

In respect of the current financial year, and following extensive Asset Manager and Shareholder engagement, the following base lines, targets and stretch have been set for the GMD and GFD:

	Threshold	Target	Stretch
Revenue growth	CPI + 2%	CPI + 4%	CPI + 6%
PBT growth	CPI + 1%	CPI + 3%	CPI + 5%
EPS growth	CPI + 1%	CPI + 3%	CPI + 5%
TSR	8%	12%	16%
ROCE	12%	15%	18%

Malus and claw back

Malus and claw back clauses are included into the Remuneration contracts for the GMD and GFD.

Some circumstances in which malus and claw back may be operated are as follows:

A material misstatement in the financial results;
A material error in the assessment of performance;
An intentional misleading of financial information and performance; and
Misconduct.

The detailed terms and conditions are set out in the revised Executive Incentive Policy.

Non-Executive Directors

Benchmarking exercise

The Non-Executive Director (NED) fees were also reviewed in 2022 and benchmarked against similar organizations. The outcome of the review suggested a need for an upward adjustment to align with prevailing market rates.

Khokhela was also requested to review the NED fees and concluded that these were significantly below market rates and around the 25th percentile and that these should be increased at least towards the 50th percentile.

The following summarises the adjustments made since 1 March 2022:

	Board Chair monthly retainer	NED Monthly retainer	Sitting fee	Sitting fee for Chair of sub-committee
Pre 1 March 2022 (P)	33,000	6,600	12,650	13, 915
Post 1 March 2022 (P)	33,000	8, 500	13,750	15,000
Effective 1 May 2023 (P)	36,300	12, 000	15,125	16,500
Effective 1 May 2024 (P)	38,500	12, 720	16,000	17,500
Effective 1 May 2025 (P)	40,000	15,000	18,000	22,000
Effective 1 January 2027 (P)	44,000	16, 500	19,800	24,200

In May 2025, the fees for the Chair of the Audit Committee were set at P28,000 per sitting to reflect the length of the meetings and the complexity of the committee matters. Effective 1 January 2027 this will be increased to P30,800.

The Lead Independent earns a premium reflecting the additional risk and responsibility of the role. The retainer fee for the Lead Independent effective 1 January 2027 is P22,275.

Any amendments to NED fees will be effective on 1 January of each year and will be put forward for Shareholder approval at the October AGM in advance.

Remuneration structure for Non - Executive Directors

All Non - Executive Directors are paid a monthly retainer for services rendered to the Group. These are determined by the Remco after considering the complexity of the role and the responsibilities assumed. The recent review by Khokhela also provided recommendations for NED fees.

Non – Executive Directors are paid sitting fees in respect of each meeting held. Details of the frequency of these meetings are included on pages 123 - 127 of this Report.

Benchmarking is done periodically and at least every 3 years. The next detailed benchmarking exercise will take place in 2028 unless a need for it arises before then.

Executive Directors' remuneration

2026

	C Chauhan	M Osman	B Davis	G Scheepers*	Total
	P'000	P'000	P'000	P'000	P'000
Total Guaranteed Pay					
Salary	6 200	4 347	2 662	2 348	15 557
Retirement and other benefits	465	326	247	1 681	2 719
Short term Incentives	3 488	2 445	623		6 556
Long term Incentives	9 031	6 683			15 714
	19 184	**13 801**	**3 532**	**4 029**	**40 546**

* G Scheepers retired from the Board effective 31 March 2026. Retirement and other benefits includes terminal benefits.

2025

	C Chauhan	M Osman	B Davis	G Scheepers	Total
	P'000	P'000	P'000	P'000	P'000
Total Guaranteed Pay					
Salary	5 400	3 996	2 324	2 383	14 103
Retirement benefits	405	300	212	217	1 134
Short - term Incentives	6 449	4 772	2 549	2 500	16 270
Long - term Incentives	7 574	5 706			13 280
	19 828	**14 774**	**5 085**	**5 100**	**44 787**

The above amounts are included within administrative expenses in the Statement of Comprehensive Income.

Non-Executive Directors' remuneration

2026

	J Marinelli	P Disberry *	S Swaniker-Tettey	M Mpugwa	K Jefferis	S Ziga	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Monthly retainer	480	90	180	243	180	180	1 353
Sitting fees	216	94	264	304	246	278	1 402
	696	**184**	**444**	**547**	**426**	**458**	**2 755**

* P Disberry retired from the Board effective 31 October 2025.

2025

	J Marinelli	P Disberry	S Swaniker-Tettey	M Mpugwa	K Jefferis	S Ziga	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Monthly retainer	462	153	153	153	153	140	1 214
Sitting fees	264	228	207	320	261	280	1 560
	726	**381**	**360**	**473**	**414**	**420**	**2 774**

The above amounts are included within Administrative expenses in the Statement of Comprehensive Income.

Good morning.
Enjoy a healthy breakfast.

Nature's Best
Sechaba
CORN SOYA
blend

Sechaba corn soya blend. Made by the producers of Malutu, with the same rich taste, healthy nutrients, love and care.

Fb
Foods Botswana

Enterprise Risk Management

Sefalana's approach to Risk Management

The Group operates in an increasingly complex and evolving risk environment shaped not only by physical **and operational factors, but also by broader geopolitical, social, technological and regulatory developments.**

These include heightened geopolitical tensions, foreign exchange volatility, livestock disease outbreaks and the growing importance of data protection and cybersecurity. Collectively these dynamics continue to redefine the business landscape and reinforce the need to remain vigilant, agile and forward looking in our approach to risk.

Enterprise risk management supports the Group in pursuing opportunities in a disciplined and structured manner, enabling value creation while safeguarding against potential downside risks.

In response,

the Group is committed to proactively identifying and managing both emerging and existing risks to ensure resilience and sustained performance. This requires the implementation of robust and adaptive risk management practices that are comprehensive in scope yet efficient in execution. **Our approach enables us to respond effectively to uncertainty while maintaining focus on the achievement of our strategic and operational objectives.**

Risk management at Sefalana is embedded across the organisation through an enterprise-wide framework that promotes accountability, consistency and alignment. A key focus area has been the continued integration of our risk appetite with strategy ensuring that strategic priorities are supported by informed decision making and aligned with the Group's tolerance for risk. The alignment strengthens the link between long term strategic intent and day to day operational execution.

Through this integrated approach, enterprise risk management supports the Group in pursuing opportunities in a disciplined and structured manner, enabling value creation while safeguarding against potential downside risks. It facilitates informed decision making and enhances the Group's ability to allocate resources effectively.

The Board and management recognise that effective risk management is fundamental to the delivery of sustainable Shareholder value, the preservation of stakeholder confidence and the protection of the Group's reputation. The Group remains committed to maintaining high standards of governance and positioning itself as a responsible and trusted participant in the markets in which it operates.

Overview of Risk Governance

The Sefalana Group's Board is committed to providing effective oversight of risk management as a core component of our corporate governance framework. In discharging this responsibility, the Board works closely with management to define appropriate risk management policies and procedures, while ensuring that sufficient resources are in place to support their effective implementation and monitoring.

Our risk management practices are subject to regular reviews to confirm alignment with strategic priorities and evolving business objectives. Management is responsible for the execution and continuous enhancement of the risk management framework, as well as embedding sound risk practices across all levels of the organization.

Accountability for risk is reinforced through clear roles and responsibilities supported by a culture that encourages awareness, transparency and informed decision making. The Group recognises that strong risk governance is fundamental to sustaining long-term performance and delivering on its strategic ambition.

Risk Management Framework components

The Group's structured Risk Management Framework together with its governance structures, provides a robust foundation for handling the significant risks inherent in business operations.

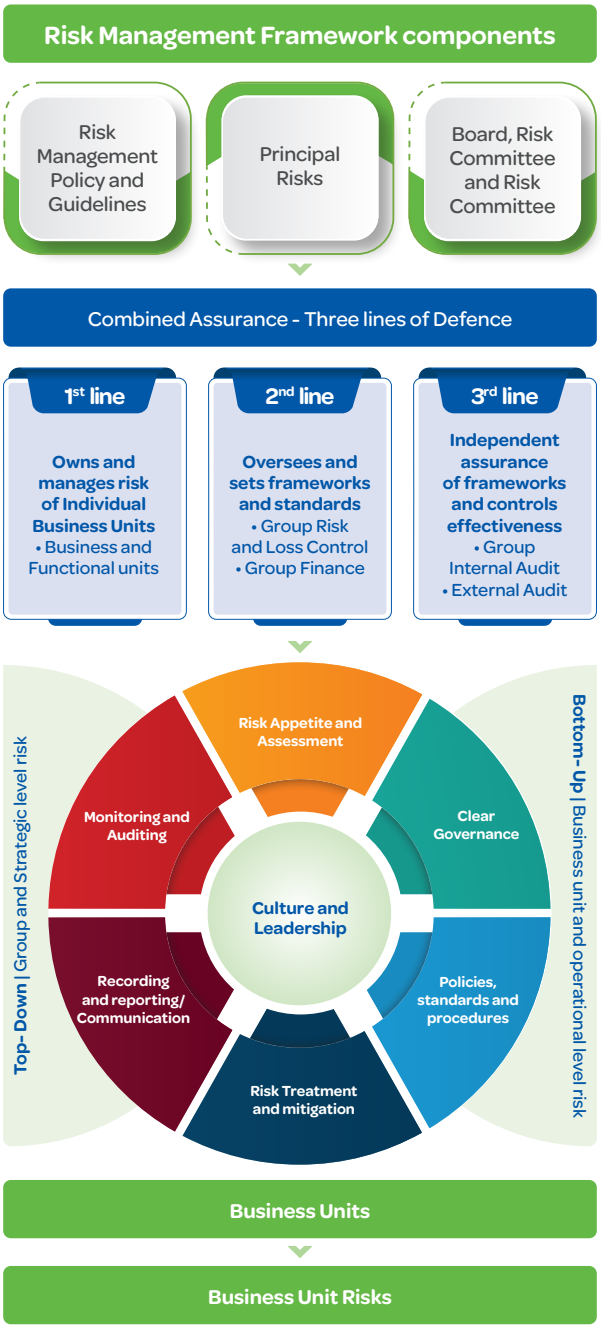
The risk management framework is developed with reference to applicable regulations, standards and leading practices such as the King IV Corporate Governance Principles and Recommendations, supported by the Group Risk Management Policy.

The Framework outlines the core components required for effective risk management including governance structures, risk identification and assessment, mitigation measures, documentation and communication, as well as assurance processes.

The Group's combined assurance model forms an integral part of the Risk Management Framework and is aligned to the 'three lines of defence' approach. This model guides the coordination of assurance activities across the organisation, distinguishing between functions responsible for managing risk, those overseeing risk, and those providing independent assurance.

Culture and leadership remain central in the effectiveness of the risk management framework of the Group. The Group fosters a risk aware culture that encourages proactive identification and management of risks, with employees taking accountability within their respective areas of responsibility. Leadership plays a crucial role in reinforcing this culture by setting the tone at the top and ensuring that risk considerations are embedded in strategic planning and day to day decision making.

Group Risk Management Framework



Enterprise Risk Management
(continued)

Risk Appetite and Tolerance

The Group's risk appetite and tolerance framework defines the level and type of risk the Group is prepared to accept in pursuit of its business objectives. Oversight and governance of this framework rests with our Board. The framework serves as a key enabler of strategy execution by providing clear boundaries within which decisions are made. It supports disciplined and consistent decision making across the Group, while allowing for the pursuit of value creating opportunities.

The risk appetite is informed by our strategic priorities, risk management objectives and expectations of our stakeholders; ensuring a balanced approach between growth, resilience and sustainability.

Aligning Risk Management with our Strategy

Strategic Focus Areas

- Optimise Profit Before Tax as a percentage of turnover
- Optimise return on surplus cash
- Enhance real growth in EPS
- Increase revenue
- Promote ESG objectives
- Retain and grow customer base
- Grow local and Regional presence
- Create Innovative Solutions and products
- Improve Process Efficiency
- Develop, motivate and retain a multi-skilled and high-performance workforce
- Institute talent management

Monitoring the effectiveness of Risk Management

Effective risk management requires ongoing monitoring to ensure that mitigation measures remain appropriate and that risks are identified and addressed in a timely manner. The Group has established processes to assess the effectiveness of its risk management practices and to support continuous oversight.

These processes include;

Risk reporting mechanisms that track and provide visibility on the status of our risks. Regular updates are presented to management and the Board through structured risk registers and dashboards;

Key performance indicators (KPIs) that are aligned with our strategic objectives and measure the effectiveness of the risk management practices and control environments;

Internal audit reviews that are conducted by our internal audit function and provide an independent assurance on the adequacy and effectiveness of our risk management practices; and

Continuous Improvement initiatives driven by the evaluation of monitoring outcomes and assessment activities to enhance the overall effectiveness and maturity of the Group's risk management approach.

Business Continuity

Maintaining operational resilience remains a key priority, particularly in an environment characterised by supply chain disruptions, foreign exchange volatility and sector specific risks such as livestock and agricultural disease outbreaks. Business continuity planning is therefore a core component of our overall risk management approach.

By identifying and assessing potential risks to our operations, we develop targeted mitigation strategies to minimize the impact of disruptions. These include the development of continuity plans, scenario analysis and preparedness measures designed to lessen the impact and ensure the continuity of key activities. Through ongoing monitoring and periodic reviews, these plans are continuously refined to reflect the evolving risk landscape. This enables the Group to respond effectively to unforeseen events, maintain operational stability and continue delivering value to stakeholders.

Succession planning

The Group recognizes that its people are central to its long term success. Effective succession planning forms an important part of our risk management approach, supporting both leadership continuity and organisational stability. This extends beyond developing future leaders to also mitigating risks associated with key personnel transitions. By maintaining well-defined succession plans, we ensure continuity in leadership and consistency in our operations, even in unforeseen circumstances. This proactive approach to risk management strengthens our resilience and ability to adapt to changing market conditions.

Areas of future focus

The Group continues to operate in a dynamic and evolving environment, where emerging risks and external pressures require a forward looking and adaptive approach to risk management. In strengthening its enterprise risk management practices, Sefalana has identified key focus areas that are expected to shape the Group's risk landscape and strategic response in the medium to long term.

Environmental, Social and Governance (ESG) and Sustainability

The focus remains on managing ESG risks as a core component of our long term strategy. Increasing environmental and social pressures including climate change, resource constraints and evolving regulatory expectations continue to influence the operating environment. We are focused on embedding sustainable practices across our operations, enhancing resilience to environmental risks and ensuring alignment with stakeholder expectations. This approach supports responsible business conduct while positioning the Group for sustainable growth.

Technology, cybersecurity and data protection

As digital transformation accelerates, the Group continues to prioritise the management of technology-related risks. The increasing reliance on digital platforms and emerging technologies, including artificial intelligence, introduces heightened exposure to cybersecurity threats and data privacy risks. The Group is committed to strengthening its cybersecurity environment, safeguarding critical information assets and ensuring compliance with applicable data protection requirements. Ongoing investment in technology governance and controls supports the responsible and secure use of digital capabilities.

Operational resilience and supply chain stability

Maintaining resilient operations and stable supply chains remains a key priority in a complex and uncertain environment. The Group continues to monitor and respond to factors such as supply chain disruptions, foreign exchange volatility, and sector-specific risks, including those affecting agricultural inputs and primary production. Through proactive risk management, diversified sourcing strategies and continuous monitoring, the Group aims to minimise disruptions and maintain the continuity of its operations.

Our top priorities and risks

We recognise that a range of risks may impact our ability to achieve our business objectives. Our principal risks are identified through a structured review process, which assesses risks across business units in the context of our overall strategy and key priorities.

Material risks are those that have the potential to significantly impact our value chain, result in deviations from expected strategic outcomes, or adversely affect our reputation.

Enterprise Risk Management
(continued)

Key risk movements

We monitor our principal and emerging risks to identify shifts in the risk landscape that may impact the achievement of our strategic objectives. Changes in risk levels are analysed to support proactive management and informed decision-making.

As part of our annual review process, we update the assessment of each principal risk, including associated mitigation strategies, and evaluate whether risk exposures have increased, decreased or remained stable compared to the previous financial year.

Principle Risks

Risk Status Key

HIGH: Risk management activities have not resulted in demonstrated improvement in the inherent risk exposure

MEDIUM: Risk management activities have begun to demonstrate improvement

LOW: Risk management activities have resulted in demonstrated improvement to adequately address or exceed inherent risk

Risk Movement Key

1 Market position

RiskTrending | Residual Risk

Operational efficiency and agility remain key focus areas to support competitiveness and margin protection in a challenging trading environment.

Risk description

The Group's market position is influenced by perception, brand presence, market share, and pricing competitiveness. Failure to effectively assess and respond to changing market conditions may result in loss of market share, reduced profitability, and reputational impact.

The risk is heightened by a challenging trading environment characterised by changes in the economic and regulatory landscape, increased competition, and the continued entry of new market players. These developments are contributing to increased price competition, margin pressure and changes in customer behaviour, including increased price sensitivity and down-trading.

Weak consumer spending, driven by economic pressures and rising unemployment, further intensifies competitive conditions. In addition, the speed and effectiveness of competitor responses to changing market conditions may impact the Group's ability to maintain its market position.

Mitigating actions

- Our Board regularly reviews and challenges the Group's strategic direction to ensure continued competitiveness in respect of price, product range, and service offering.
- Our Executive and operational management monitor market conditions, competitor activity and emerging retail formats on an ongoing basis, supported by market intelligence and analysis.
- Customer insights and trading performance trends are used to refine the value proposition in response to changing consumer behaviour and affordability pressures.
- Our established brand strength and market presence are used as leverage to respond to competitive pressures and support customer retention.
- Operational efficiency and agility remain key focus areas to support competitiveness and margin protection in a challenging trading environment.
- Strategic initiatives are implemented to enhance responsiveness to both local and regional market dynamics.

2 Procurement and strategic sourcing

RiskTrending ↑ | Residual Risk

Suppliers are required to comply with applicable regulatory requirements and established standards relating to product quality, safety, and responsible sourcing.

Risk description

The Group sources products from a wide range of domestic and international suppliers, with global sourcing forming a key component of financial performance. The ability to secure reliable, high-quality supply in the required volumes and in a timely and cost-effective manner, remains critical to operations.

The Group expects its suppliers to comply with applicable laws and regulations, including those relating to product safety, quality, anti-corruption and environmental standards. Failure by suppliers to meet these requirements may result in supply disruptions, reputational exposure and potential regulatory risk.

The risk is further driven by potential supply chain disruptions, including mismatches between supply and demand, limited availability of local and regional suppliers, and inefficiencies in internal processes affecting stock availability. External factors such as global geopolitical tensions, fuel price volatility, import restrictions, and localisation policies may impact the availability and cost of goods.

In addition, environmental and agricultural challenges, including livestock disease outbreaks, may affect the supply of key commodities, while regional logistics constraints may impact the timely movement of goods across operating markets.

These factors may result in increased procurement costs, pricing volatility, delays in product availability, and challenges in meeting customer demand, as well as impacting supplier relationships and the Group's overall value proposition.

Mitigating actions

- We continue to monitor supply chain conditions and supplier performance on an ongoing basis to identify risks to product availability and cost.
- Strategic sourcing decisions are implemented to minimise stock-outs and ensure continuity of supply across operating markets.
- Opportunities for bulk purchasing and supplier negotiations are pursued to improve availability and optimise margins.
- Supplier relationships are actively managed to support reliability, consistency and alignment with the Group's sourcing requirements.
- Suppliers are required to comply with applicable regulatory requirements and established standards relating to product quality, safety and responsible sourcing.
- Internal processes are continuously reviewed and enhanced to improve demand planning, inventory management and overall supply chain efficiency.

Enterprise Risk Management
(continued)

3 Business Continuity

Risk Trending | Residual Risk

Cybersecurity measures, including vulnerability assessments, employee awareness programmes, and incident response procedures, are implemented to reduce the risk of cyber-related disruptions.

Risk description

Business continuity risk relates to the potential disruption of the Group's operations, which may impact its ability to continue core activities and meet its obligations to customers and other stakeholders.

This risk may arise from a range of internal and external factors, including pandemics or disease outbreaks, natural disasters, civil unrest, cyber incidents, supply chain disruptions and failures in critical infrastructure such as energy, water and logistics.

Disruptions of this nature may result in loss of revenue, delays or suspension of strategic initiatives, reduced product availability, and operational downtime. In addition, prolonged disruption may impact customer retention and the Group's ability to respond effectively to changing operating conditions

Mitigating actions

- A formal Business Continuity Policy and supporting frameworks have been developed to guide the Group's response to disruptions affecting critical operations.
- Business continuity and disaster recovery plans are in place to support the continuation and recovery of key business functions.
- Cybersecurity measures, including vulnerability assessments, employee awareness programmes, and incident response procedures, are implemented to reduce the risk of cyber-related disruptions.
- The Group continues to assess and strengthen its resilience to operational disruptions through ongoing review of business continuity arrangements and response capabilities.

4 Systems and solutions

RiskTrending | Residual Risk

Compliance with obligations associated with new privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include statutory liability for security breaches

Risk description

Disruptions in our systems could harm our ability to conduct our operations. Given the number of individual transactions we have each year, it is crucial that we maintain uninterrupted operation of our business-critical information systems.

Our information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security breaches (cyberattacks), catastrophic events such as fires, tornadoes, earthquakes and hurricanes and usage errors.

Mitigating actions

Our information security teams monitor and continue to enhance the IT environment in the following ways:

- We continue to strengthen our cyber-control framework and improve our resilience and cybersecurity capabilities, including threat detection and analysis, encryption, network security, access controls, system security, payment systems controls back-up and recovery;
- Developing a risk-based security testing approach across Group to identify ongoing vulnerabilities;
- Compliance with obligations associated with new privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include statutory liability for security breaches;
- Greater emphasis on IT governance with a focus on data security and privacy to provide appropriate and sustainable IT; and
- Particular focus on cyber risk during the year with the adoption of detection software and platforms.

Enterprise Risk Management
(continued)

5 Governance and Regulatory compliance

RiskTrending | Residual Risk

Management promotes a strong tone from the top, reinforcing the importance of compliance, transparency, and accountability across the organisation.

Risk description

The Group operates in an increasingly complex and evolving regulatory environment, requiring ongoing investment in compliance management and oversight.

Regulatory developments, including economic transformation initiatives, localisation policies, and increased expectations around governance and sustainability practices, continue to shape the operating landscape. Failure to anticipate and respond effectively to these changes may result in non-compliance.

Compliance failures may lead to financial penalties, legal or regulatory sanctions, and operational disruption where business processes require adjustment to meet new requirements. In addition, non-compliance may adversely impact the Group's reputation and its ability to operate as a trusted and responsible organisation.

Mitigating actions

- Our Code of Business Conduct is supported by annual compliance reviews and other tools such as our whistleblowing hotline.
- Compliance controls and processes are continuously monitored and enhanced to ensure alignment with applicable legal and regulatory requirements.
- Ongoing monitoring of regulatory developments supports timely identification and implementation of required changes across the Group.
- Management promotes a strong tone from the top, reinforcing the importance of compliance, transparency, and accountability across the organisation.

6 Diversification and growth

RiskTrending | Residual Risk

Diversification strategies are developed and implemented, including expansion into new markets, development of new products and services, and strategic partnerships.

Risk description

The Group's ability to deliver on its diversification and growth objectives is dependent on the successful execution of its strategic initiatives and transformation programmes.

The risk arises from the potential inability to identify, assess, and execute viable growth opportunities, including expansion into new markets, products, or partnerships. This may be driven by limited or inaccurate market intelligence, constrained resources, or a failure to respond proactively to emerging opportunities.

External factors such as changes in the economic or political environment, as well as broader macroeconomic pressures and reduced consumer spending, may further impact the viability and timing of expansion initiatives.

These factors may result in delayed expansion, sub-optimal capital allocation, or failure to realise expected returns, with a consequent impact on profitability and cash flow.

Mitigating actions

- The Group continues to strengthen its strategic planning and evaluation processes to support the identification and execution of growth opportunities.
- A Data Analytics Hub has been established to enhance the use of data and insights in decision-making and investment planning.
- Diversification strategies are developed and implemented, including expansion into new markets, development of new products and services and strategic partnerships.
- Ongoing monitoring of market conditions and economic trends supports informed decision-making and timely adjustment of growth initiatives.

7 Technology and Data Management

RiskTrending | Residual Risk

Significant investment is made in re-engineering legacy retail systems, while building redundancy across key business systems to enhance resilience.

Risk description

Failure of the Group's IT infrastructure or key IT systems may result in loss of information, disruption to operations, financial or regulatory penalties, and reputational damage.

The Group is focused on enhancing customer experience by delivering seamless and continuous service through leading digital solutions, supported by core platforms and the underlying IT services required to enable the Group's overall strategy for driving profitable growth.

A significant failure in the implementation of the Group's IT strategy may impact its ability to deliver these technology capabilities, affecting competitiveness, customer experience and operational efficiency.

The risk is further heightened by increasing reliance on digital systems, as well as evolving regulatory requirements relating to data governance and data protection, which place greater emphasis on the secure and responsible management of information.

Mitigating actions

- The Group continues to evolve its digital strategy and technology capabilities to meet changing customer needs and expectations, informed by ongoing customer engagement.
- Significant investment is made in re-engineering legacy retail systems, while building redundancy across key business systems to enhance resilience.
- Technology security programmes are in place to strengthen cybersecurity capabilities and enhance IT general controls.
- Continued investment in technology and data analytics remains a priority, supporting improved decision-making, operational efficiency, and the identification of new growth opportunities as the Group expands into new markets.
- Data governance frameworks and controls are implemented and continuously enhanced to support compliance with applicable data protection requirements and ensure the secure and responsible management of information.

Enterprise Risk Management
(continued)

8 Value based employee culture

RiskTrending | Residual Risk

Our HR strategy aims to attract, develop, retain and reward talent, and to strengthen our customer-first culture through employee engagement.

Risk description	Mitigating actions
Failure to attract and retain the required resources and skill sets. **Our ability to successfully execute organizational changes, including management transitions within the Company's senior leadership, and to effectively motivate and retain the required capability are critical to our business success. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to our customers may decrease and our financial performance may be adversely affected.**	Market competitiveness continues to affect our ability to attract and retain key specialist talent. ✓ We aim to be an employer of choice, with engaged, proactive employee relationships. Over the past year, we revised our Group HR strategy in response to employee and business needs. We aim to attract, develop, retain and reward talent, and to strengthen our customer-first culture through employee engagement. ✓ We continue to monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate. ✓ The Group has a stable and diverse leadership team in place. We have invested in developing our management teams and employed a diverse team of leaders over the past year. Our team members bring industry knowledge, depth of experience and a fresh view. The same rules of transformation and diversity are applied to the Board of Directors. Employment equity remains a priority in all employment considerations. ✓ We monitor workforce capacity and capability requirements in line with the Group growth strategy and any emerging issues in the markets in which we operate. ✓ The Group's employment policies and remuneration and benefits packages are regularly reviewed and are designed to be competitive with other companies, fair and consistent, as well as providing colleagues with fulfilling career opportunities. ✓ Our HR strategy aims to attract, develop, retain and reward talent, and to strengthen our customer-first culture through employee engagement.

9 Business strategy

RiskTrending ↑ | Residual Risk

Significant investment is made in re-engineering legacy retail systems, while building redundancy across key business systems to enhance resilience.

Risk description	Mitigating actions
Failure of our business value proposition to adequately cater to customer demands, as well as rapid changes in the economic and regulatory environment, may impact operational performance and the execution of future growth plans.	✓ The Group has a robust and capable Board of Directors, fully attuned to Sefalana business strategy, material risks and opportunities. ✓ The Board and Executive management are focused on strategy and are mindful of the risks, illustrating strong direction and commitment from the top. ✓ Ongoing monitoring of business as usual performance to determine indicators of potential negative performance so corrective measures can be taken swiftly. ✓ Strategic planning and budgeting processes are aligned to ensure that resources are directed towards key priorities and objectives.

10 Environment Sustainability and Governance

RiskTrending ↔ | Residual Risk

A combined assurance framework which includes internal assurance providers is in place to manage and report on risk and compliance.

Risk description	Mitigating actions
The environment and sustainability are core to Sefalana values. Significant environmental and social impacts resulting from factors such as unsustainable consumption of natural resources, uncontrolled release of emissions and waste – coupled with environmental practices across the Group and its value chain – can lead to environmental, social, financial, regulatory and reputational risks for the business.	✓ Group sustainability functions are working to embed sustainability principles and practices into the Group's operations and supply chain to address social and environmental issues with a focus on food security, packaging, water and climate change. ✓ Set reduction targets to support carbon footprint and water usage management across main office buildings. Carbon emissions, electricity and water consumption, and waste generation are measured, monitored and reported against set targets annually. ✓ The Risk and Sustainability Committee oversees the impact of Sefalana's corporate responsibility and sustainability strategy. ✓ A combined assurance framework which includes internal assurance providers is in place to manage and report on risk and compliance.

Information Management
and Information Technology (IT) Governance

Overview

Sefalana's IT strategy remains closely aligned with the Group's overarching business objectives, ensuring strategic, **responsible and sustainable investment in technology across the Group.**

In line with King IV Principle 12, the Board governs information and technology in a manner that supports the achievement of the Group's strategic objectives.

The Group IT function will continue supporting sustainable expansion projects and implementation of energy-efficient technology solutions across the Group.

The Group further notes

the evolving governance landscape reflected in the King V Report on Corporate Governance, which introduces a dedicated governance pillar for data, information, technology and artificial intelligence ("AI").

While King IV remains the prevailing regional governance benchmark, the Group has initiated a formal gap assessment against the emerging King V principles and disclosure framework to support progressive alignment over future reporting periods.

The Board has delegated oversight of information and technology governance to the Audit Committee, while day-to-day responsibility rests with the Group IT Management team. **The Group continues to operate under a robust and continuously evolving IT governance framework designed to ensure effective oversight, operational resilience, security and regulatory compliance.**

During the reporting period, key areas of focus included:
AI governance and agentic technology readiness;
cybersecurity and resilience enhancement;
data governance and privacy compliance;
cloud modernisation and infrastructure resilience; and
strengthening sustainability and ESG integration within the Group IT environment.

Board Governance Statement

The Audit Committee maintains oversight of information technology risk, which remains fully integrated into the Group's enterprise-wide risk management framework. Oversight of the Group's AI strategy, including ethical governance of AI systems and emerging technologies, forms part of the regular IT reporting presented to the Board and Audit Committee.

Management continues to prioritise:

- the effectiveness and resilience of IT systems;
- alignment of IT investments to business strategy;
- delivery of project benefits and operational efficiencies; and
- the integrity, confidentiality and availability of information assets.

The Group's mature IT General Controls ("ITGC") framework, supported by periodic internal and external reviews, continues to reinforce the effectiveness of the Group's IT governance environment.

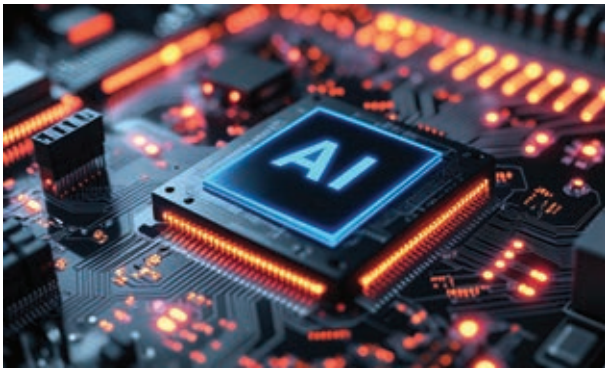
Key developments and areas of focus during the year

1 Information security and cyber resilience

The Group continued strengthening its cybersecurity capabilities and resilience framework across all operating entities.

Key initiatives included:

- Continued investment in advanced security infrastructure, including:
  - Security Operations Centre ("SOC") capabilities;
  - enhanced identity and access management;
  - AI-powered threat detection tools; and
  - unified endpoint security management solutions.
- Adoption of Zero Trust Network Access ("ZTNA") principles across subsidiaries, reinforcing least-privilege access controls for both remote and on-site users.
- Introduction of a cyber resilience scorecard providing quarterly reporting to the Audit Committee on key cybersecurity metrics, including:
  - Mean Time to Detect ("MTTD");
  - Mean Time to Remediate ("MTTR"); and
  - resolution rates of critical vulnerabilities within defined service level targets.
- Integration of supply-chain cyber risk into the Group Risk Register, including mandatory annual cybersecurity assessments for critical technology vendors and cloud service providers.
- Ongoing penetration testing and vulnerability assessments conducted by independent external specialists to identify and remediate security vulnerabilities.
- Review and testing of the Cyber Incident Response Plan ("CIRP") through tabletop simulation exercises involving management and relevant stakeholders.
- Expansion of cybersecurity awareness programmes through:
  - mandatory monthly training initiatives;
  - phishing simulation campaigns; and
  - Group-wide data privacy and cybersecurity awareness training.
- Deployment of AI and machine learning tools for proactive threat monitoring, endpoint protection, encryption and threat prevention.
- Implementation of Cloud Advanced Threat Protection ("ATP") solutions to strengthen:
  - email security;
  - document protection; and
  - data loss prevention controls.



Information Management and Information Technology (IT) Governance
(continued)

2 Policy, compliance and data governance

The Group continued enhancing its IT governance, compliance and data management frameworks to align with evolving regulatory requirements and best practice standards.

Key developments included:

- Continued review and enhancement of Group IT policies and procedures, including alignment with:
  - the Botswana Data Protection Act, 2024;
  - cybersecurity standards; and
  - internal AI governance policies.
- Establishment of formal IT policy registers documenting:
  - policy ownership;
  - review cycles;
  - applicable regulations; and
  - governance accountability structures.
- Expansion of compliance monitoring across subsidiaries operating in Botswana, Namibia and Lesotho to support multi-jurisdictional regulatory compliance.

Data protection and privacy

The Group further strengthened its data governance and privacy framework through:

- implementation of a comprehensive Data Protection Policy;
- operationalisation of customer data privacy rights, including access, rectification and deletion rights;
- formalisation and testing of customer data breach notification procedures; and
- enhancement of privacy governance processes across digital platforms and operating entities.

AI governance

The Group continued progressing its AI governance framework through:

- implementation of a tiered AI risk classification model;
- establishment of proportionate approval and monitoring workflows;
- rollout of AI ethics and responsible-use training; and
- initiation of an AI Control Tower pilot programme to improve visibility over AI tools deployed across the Group.

Data quality and analytics

Key data management initiatives included:

- programmes focused on improving data accuracy, completeness and consistency;
- strengthened data lifecycle management controls covering retention, archiving and deletion;
- and expanded use of analytics and business intelligence tools to support strategic decision-making.

3 Disaster recovery, Business Continuity and infrastructure resilience

The Group continued investing in resilient and scalable technology infrastructure.

Key initiatives included:

- Ongoing cloud modernisation and implementation of enhanced failover and application high-availability capabilities.
- Review and benchmarking of the Group Business Continuity Management ("BCM") framework against ISO 22301 principles.
- Review and enhancement of the Group ICT Roadmap to incorporate strategic focus areas including:
  - cybersecurity;
  - data centre modernisation;
  - sustainable IT;
  - AI readiness; and
  - innovation enablement.
- Progression of Service-Oriented Infrastructure ("SOI") planning, including:
  - network architecture;
  - governance frameworks;
  - security architecture;
  - unified communications; and
  - shared services optimisation.

4 Strategic IT management and innovation

The Group continued strengthening governance and oversight over strategic technology initiatives.

Key developments included:

- Continued oversight by the IT Steering Committee, ensuring alignment between technology initiatives and business strategy.
- Enhancement of IT project and portfolio management methodologies to improve:
  - project management and prioritisation;
  - governance;
  - delivery effectiveness; and
  - return on investment monitoring.
- Strengthening of change management processes supporting user adoption and operational readiness.
- Ongoing evaluation of emerging technologies including:
  - artificial intelligence;
  - machine learning;
  - cloud technologies; and
  - Internet of Things ("IoT") solutions.
- Expansion of third-party technology risk assessments to include AI vendors and cloud service providers.

5 AI strategy and digital transformation

The Group continued advancing its digital transformation agenda and AI strategy.

Areas of focus included:

- implementation of AI initiatives aimed at:
  - predictive analytics;
  - process automation;
  - operational optimisation; and
  - personalised customer experiences;
- digital transformation initiatives designed to enhance customer engagement and operational efficiency; and
- continued automation of operational processes to support productivity and customer service enhancements.

The Group continued advancing its digital **transformation agenda and AI strategy.**

6 IT audits and compliance assurance

Independent external technology assurance providers continued conducting periodic reviews of selected IT governance and control environments.

Key governance practices included:
tracking of all internal and external IT audit findings through a centralised governance register;

tracking of all internal and external IT audit findings through a centralised governance register;

reporting of remediation progress to the IT Steering Committee and Audit Committee; and

escalation of overdue remediation actions through the Group governance framework.

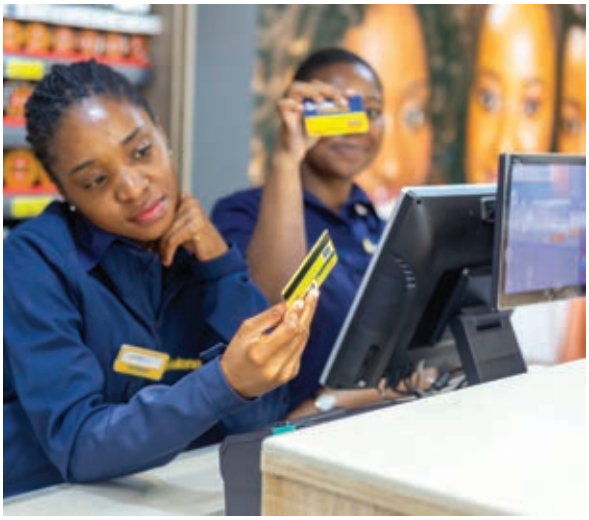
Information Management and Information Technology (IT) Governance
(continued)

7 IT training and skills development

The Group continues investing in the development of employee technology capabilities across all operating entities.

Key initiatives included:

- technical skills development programmes and certifications in key technologies;
- training on emerging technologies and systems implementation;
- AI literacy training focused on:
  - responsible use;
  - governance obligations;
  - cybersecurity awareness; and
  - ethical considerations associated with AI tools.



Sustainability and Green IT

The Group recognises that sustainable technology governance forms an integral component of responsible business operations. ESG principles continue to be embedded within the Group's IT governance framework to ensure that technology investments support long-term sustainability objectives.

Group IT continued accelerating initiatives focused on environmental efficiency, responsible technology management and sustainable digital transformation.

Environmental (E)

Energy efficiency and infrastructure optimisation

The Group continued implementing energy-efficient IT solutions across its operations in Botswana, Namibia and Lesotho, including:

- increased adoption of cloud-based infrastructure;
- server virtualisation initiatives;
- optimisation of data centre efficiency; and
- consolidation of legacy infrastructure.

Cloud migration initiatives have materially reduced the Group's physical infrastructure footprint and associated cooling and power consumption requirements.

Power Usage Effectiveness ("PUE") improvements were achieved through:

- cooling optimisation;
- decommissioning of legacy underutilised infrastructure; and
- increased workload consolidation across virtualised and cloud platforms.

Responsible management of IT a ssets

The Group maintained formal processes for:

- responsible disposal and recycling of obsolete IT equipment;
- extension of asset useful lives through targeted upgrades and maintenance; and
- reduction of electronic waste through sustainable asset management practices.

Sustainable supply chain practices

Sustainability and ESG considerations were further integrated into IT vendor selection and procurement processes, with preference given to vendors demonstrating strong environmental and ethical governance practices.

Social (S)

Digital inclusion and accessibility

The Group continued enhancing digital accessibility and inclusion across its customer-facing platforms through:

- optimisation for low-bandwidth environments;
- accessibility enhancements for users with disabilities; and
- expanded digital literacy and cybersecurity awareness initiatives.

Customer data privacy and protection

The Group continued strengthening protection of customer information through:

- implementation of robust data protection controls;
- alignment with the Botswana Data Protection Act, 2024;
- enhancement of privacy notices and transparency measures; and
- formalisation of customer data rights request processes.

Ethical technology use

The Group remains committed to responsible and ethical use of technology and AI systems.

The AI Steering Committee continues overseeing:

- AI governance;
- ethical AI deployment;
- risk assessments; and
- responsible use frameworks across the Group.

The Group also refreshed its Acceptable Use Policy to address:

- generative AI usage;
- responsible technology use;
- social media conduct; and
- data handling obligations.

Governance (G)

Governance and oversight

The Group's IT governance framework continues to integrate ESG principles into strategic decision-making and enterprise risk management processes.

IT-related ESG risks incorporated into the Group Risk Register include:

- data sovereignty;
- cybersecurity;
- energy consumption;
- electronic waste; and
- third-party digital risk.

Transparency and continuous improvement

The Group continues enhancing ESG reporting and monitoring capabilities, including development of IT-specific energy consumption metrics and sustainability performance indicators.

The Group IT function will continue supporting sustainable expansion projects and implementation of energy-efficient technology solutions across the Group.

Future areas of focus

The following priorities will guide the Group's IT strategy during the ensuing year:

- Completion of the Service-Oriented Infrastructure ("SOI") implementation programme;
- Continued enhancement of cybersecurity frameworks and advanced security capabilities;
- Ongoing cloud modernisation and migration of legacy systems;
- Expansion of AI governance and AI-enabled infrastructure capabilities;
- Strengthening Green IT and energy-efficiency initiatives;
- Continued enhancement of third-party risk management programmes; and
- Expansion of technology scouting and innovation evaluation initiatives under the IT Steering Committee.

Growth through diversification

Australian investment

Our investment in Australia continues to generate a positive EBITA and cash. We currently operate 9 stores across Brisbane under the Seasons IGA brand.

The Seasons Group emerged with a single standalone store in Brisbane, Queensland Australia in 2019 which quickly developed into a chain of four stores across the Brisbane area. We now have a total of 9 stores. This was achieved through understanding the local market and providing a largely bespoke offering to the community. The Seasons IGA provides a premium shopping experience with a full-line supermarket serving as one stop shop for consumers.

Audit Committee Chair's Report

I am pleased to present our Audit Committee ("the Committee") Report for the year ended April 2026 ("the year"). This report summarises the areas of focus **and work conducted by the Committee over the course of the year, demonstrating our commitment to governance excellence and financial integrity across the Group.**

The Audit Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management and internal control systems.

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MANDATE

The Audit Committee assists the Board in fulfilling its Group governance and oversight responsibilities pertaining to financial reporting processes, **internal control frameworks, internal and external audit processes, applicable standards and legislation as well as the impact of IT-related matters on the financial results of the Group. The Committee oversees the appointment, compensation and monitoring of the External Auditors, regularly evaluating their independence and effectiveness.**

During the reporting period, three meetings were held. Meetings are scheduled to coincide with the key dates in the Group's financial reporting and audit cycle. All the members of the Committee are independent directors and meet predetermined skills, competency, and experience requirements.

Key matters considered and approved

In line with its purpose and key responsibilities, the Committee's time over the course of the year was spent in consideration of:

Internal control and Risk	Internal audit	External audit	Financial reporting	Governance
Risk Committee reports	Internal Audit Charter	Audit reports	Interim & preliminary results	Group policy review
Adequacy of control systems	Audit Plan	External Auditor appointment	Board reporting on accounting policies	Audit Committee Terms of Reference
Fraud & corruption oversight	Performance oversight	Independence & tenure	Financial controls	Annual review of the Company's compliance with the Corporate Governance Code
Cyber security reviews	Audit reports	Audit approach & methodology review	Annual reporting oversight	Oversight of Committee effectiveness and self-assessment
Regulatory compliance monitoring	Control observations & management response	Oversight of key audit judgments and estimates		Ethical culture oversight
	Independence and objectivity monitoring			
	Follow-up on remediation and closure of findings			

Internal Control and Risk Management

The Audit Committee supports the Board in its duties to review and monitor, on an ongoing basis, the effectiveness of the Group's risk management and internal control systems. The Committee works closely with the Group's Risk and Sustainability Committee to achieve synergy between combined assurance processes, and to ensure that the Group operates within a framework of prudent and effective controls that allow risk to be identified, assessed and appropriately managed. Reports from the Risk and Sustainability Committee are considered at every Audit Committee meeting.

No findings from either the Internal Audits or External Audits have come to the attention of the Committee to indicate that any material breakdown in internal controls has occurred during the year.

The Audit Committee confirms that the Group has established appropriate financial reporting **procedures and that those procedures, systems and internal controls in place are adequate and are operating effectively.**

Audit Committee Chair's report
(continued)

Combined Assurance

Combined Assurance refers to the integration, coordination and alignment of risk management and assurance processes to optimise and maximise the level of governance, control, and oversight over the risk landscape. The Combined Assurance Model aims to optimise the assurance coverage obtained from management and internal and external assurance providers on the risks facing the Group.

The current combined assurance model in place is representative of how the risks are currently being managed in accordance with the Institute of Internal Auditors' ("IIA") Three Lines Model. Risk, Compliance and Internal Audit have implemented a coordinated structure for planning, executing and reporting on Internal Audit, compliance and risk activities, with clearly defined responsibilities across each line.

Audit Committee members include the Chair and members of other Committees to ensure cross review and alignment as well as to provide input regarding management of risks and assurance activities.

The Committee is satisfied that the Group has optimised the assurance obtained across the Three Lines Model and that the model is effective in achieving the objectives of coordinating assurance and reporting to provide management and the Board with a clear view of the Group's risk landscape and the effectiveness of risk mitigations.

The Committee evaluated the combined assurance framework to confirm:

1. Satisfactory coverage of risks across all key business areas;
2. Assurance activities regarding identified risks were duly executed;
3. Appropriate lines of defence performed the relevant assurance activities; and
4. The level of assurance provided was adequate and timely.

The Committee is satisfied that the execution of the combined assurance plan across the IIA's Three Lines Model – being management, oversight forums and external assurance providers – has been satisfactorily completed during the year.

Whistleblowing and fraud matters

The responsibility for overseeing whistleblowing is within the remit of the Audit Committee. During the year, the Audit Committee considered the Group's whistleblowing arrangements and procedures for fraud prevention and detection to ensure that these allow for the proportionate and independent investigation of such matters and appropriate follow up action.

Internal Audit

In executing its Board-assigned mandate, Internal Audit operates in full conformance with the IIA's 2024 Global Internal Audit Standards™ (GIAS), which became effective on 9 January 2025, superseding the 2017 International Standards for the Professional Practice of Internal Auditing. In accordance with the updated purpose of Internal Auditing as defined in the GIAS, Internal Audit strengthens the Group's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Internal Audit maintains its organisational independence by reporting functionally to the Audit Committee and administratively to the Group Managing Director.

On three occasions during the year, the Audit Committee discusses with the Head of Internal Audit the Group's risk management and internal control framework, any significant matters arising from the Internal Audit assurance programme and management's response to significant audit findings and notable control weaknesses, including planned improvements and agreed actions. The Audit Committee also holds private sessions with the Head of Internal Audit. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work.

The detailed scope of work for Internal Audit is outlined in the three- year strategic plan and annual Internal Audit plan, both of which are subject to the Audit Committee's annual review and approval. Consistent with the GIAS requirements, the strategic plan includes a vision, defined objectives, and key performance indicators (KPIs) to measure Internal Audit's performance and contribution to organisational value. Quarterly feedback on the progress of the annual plan and performance against KPIs is provided to the Audit Committee.

In accordance with its terms of reference and the Internal Audit charter, the Committee:	reviewed and approved the Internal Audit mandate (charter), and the annual Internal Audit plan, confirming that the charter is Board-issued, clearly defines the authority, roles and responsibilities of the Internal Audit function, and meets the requirements of Standard 6.1 of the GIAS;
	considered reports from the Internal Auditors on the work performed throughout the year and their annual written assessment;
	met separately with the Internal Auditors in the absence of management to ascertain that organisational independence, quality, credibility, and effectiveness were maintained, reviewed the Quality Assurance and Improvement Programme (QAIP) results, and received confirmation that no restrictions nor undue pressure were placed on the function to suppress or modify audit findings;
	considered the results of the internal quality assessment conducted during the year in accordance with the Institute of Internal Auditors new Global Internal Audit Standards, and noted the steps taken to meet the intent of these new standards; and considered and approved the Internal Audit plan for the forthcoming year.

Considering the work done in the current year by the Internal Auditors, the Committee is satisfied that the Internal Audit function is operating in conformance with the IIA's 2024 Global Internal Audit Standards™, is organizationally independent, and has effectively addressed the risks pertinent to the Group in its assurance, advisory and insight activities. The function demonstrated capability to provide not only assurance but also advice, insight and foresight to the Board and management, consistent with the expanded purpose of Internal Auditing under the new GIAS. There were no events that would have compromised the Internal Audit function.

It is the overall opinion of Internal Audit that, during the reporting period, the governance, risk management and control processes were generally adequate and effective, providing the Board and management with reasonable assurance. This overall opinion has been formulated in accordance with the requirements of the 2024 Global Internal Audit Standards™, which require Internal Audit to communicate an overall opinion on the system of internal controls as part of its annual reporting to the Audit Committee.

Audit Committee Chair's report
(continued)

External Audit

On behalf of the Board, the Audit Committee has primary responsibility for overseeing the relationship with, and performance of, the External Auditor. This includes making recommendations to the Board on the appointment, re-appointment and removal of the External Auditor, assessing their independence and effectiveness and approving the audit fee.

The Audit Committee meets regularly and privately with the External Auditor. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work.

Annual External Audit plan and assessment of External Audit's effectiveness

The Audit Committee reviewed PricewaterhouseCoopers (PwC) audit strategy, scope and plan for the current year audit, highlighting any areas which would receive special consideration. This included assessing whether the planned materiality levels and proposed resources to execute the audit plan were consistent with the scope of the audit.

During the year, the External Auditors regularly updated the Audit Committee on the status of their procedures and preliminary findings, providing an opportunity for the Audit Committee to monitor the execution and results of the audit. The Audit Committee Chair held separate closed meetings with the External Auditors prior to Audit Committee meetings.

The Audit Committee has carried out its statutory duties, including re-evaluating the performance of the External Auditors and agreeing on the terms of their audit plan, budget and terms of engagement.

The Audit Committee is satisfied with the effectiveness and appropriateness of the key audit matters reported on by the External Auditors. In assessing the effectiveness of the External Auditor, the Audit Committee considered the following:

1. the quality of presentations to the Board and Audit Committee;
2. the technical insights provided relevant to the Group;
3. key audit findings, including their robustness and perceptiveness in handling of key accounting and audit judgements; and
4. their demonstration of a clear understanding of the Group's business and key risks.

Independence of the External Auditor

The Committee is satisfied that the auditors, PricewaterhouseCoopers are independent and were able to conduct their audit functions without any influence from Sefalana Group. This conclusion was arrived at after taking into account the representations made by the auditors to the Audit Committee;

- that the auditors do not, except as External Auditors or in rendering permitted non-audit services, receive any remuneration or other benefits from the company;
- that the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by them;
- that the auditors' independence was not prejudiced as a result of any previous appointment as auditor; and
- that the auditors met, in all material respects, the criteria specified for independence by international regulatory bodies.

The Committee remains fully satisfied with the ongoing independence, impartiality, competence, resources, service levels and objectivity of the firm. The consistently high levels of financial reporting maintained by the Group, and the Group's robust internal control environment, further indicate that the audit process and the assurance it provides remain sound.

Group Finance Director and Finance function's expertise, resources and experience

The Committee considered the composition, effectiveness, capabilities and adequacy of resources of the Group finance function, as well as the performance and expertise of the Group Finance Director and is satisfied that all were appropriate to fulfil their responsibilities.

Focus areas for the year ahead

The Committee's key priorities will include:
maintaining oversight of the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group;
continuing to monitor evolving sustainability reporting regulations and ensure appropriate disclosure of financial information and assurance requirements in the Group's financial reporting;
Monitoring the impact of macroeconomic volatility on the Group's financial position and strategic direction to ensure resilience;
Continuing to ensure that financing decisions are aligned so as to maintain a strong balance sheet and achieve targeted gearing levels per business entity;
Focus on further enhancing the integrity of the financial controls and management systems, governance of information and technology and robustness of the Company's cyber security arrangements, to ensure that they reflect the changing risks of our high-growth business;
Information and technology (IT) strategic roadmap, including adoption of generative artificial intelligence, to ensure continued alignment of IT with business needs, and the promotion of operational efficiencies;
Oversight of the Group's Sustainability and Environmental, Social and Governance (ESG) reporting obligations, including monitoring developments in mandatory climate-related financial disclosures and ensuring alignment with applicable reporting frameworks; and
Management attention to optimisation of the combined assurance arrangements in line with the IIA's Three Lines Model and monitoring Internal Audit's conformance with any new Topical Requirements issued under the 2024 Global Internal Audit Standards™.

Audit Committee statement on annual financial statements

Following its review of the consolidated and separate annual financial statements of Sefalana Group for the year ended April 2026, the Committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and IFRS® Accounting Standards and fairly present the annual financial statements of the Group for the year ended April 2026. The Committee has also satisfied itself on the integrity of the integrated annual report for the year then ended.

A key requirement of our audited financial statements (AFS) is for the company AFS to be fair, balanced, understandable and provide the information necessary for stakeholders to assess the Group's position, performance, business model and strategy.

Following the review of the audited financial statements, the Audit Committee is of the opinion that, in all material respects they comply with the relevant provisions of the Companies Act and IFRS and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and that they fairly present in all material respects, the results of operations, cash flows and financial position of the company and the Group for the year then ended.

The Committee concludes that the system of internal controls over financial reporting, the risk management activities, as well as the combined assurance processes of the Group, are adequate and operating effectively.

The Audit Committee is satisfied with the financial statements, accounting policies and the internal financial controls of the company. The Audit Committee has reviewed the annual financial statements of the Group and recommended it to the board for approval.

The Audit Committee is satisfied that it has adequately discharged its responsibilities and performed its duties with prudence and provided independent opinions in the best interests of the Group without any restriction in the obtaining of data, resources, and the full cooperation of the Group.

On behalf of the Group Audit Committee.

Mrs Susanne Swaniker- Tettey
Audit Committee Chair
(Independent Non- Executive Director)

wings & things
Sefalana Liquor
Sefalana Quick
wings & things
Liquor

04 COMPANY PROFILES

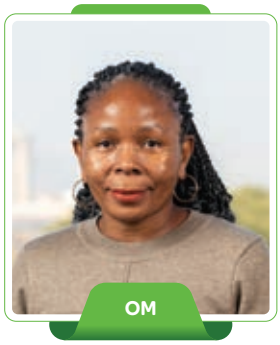
52 years of creating value

Our Management teams

Our Sefalana Head Office team

Chandra Chauhan
Group Managing Director (GMD)

Mohamed Osman
Group Finance Director (GFD)

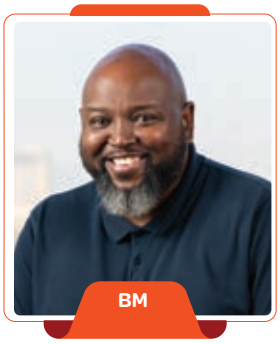


Omphemetse Mokgosi
Personal Assistant to GMD and GFD

Saju Peter
Group Financial Controller

Humairaa Kara
Subsidiary Finance Manager

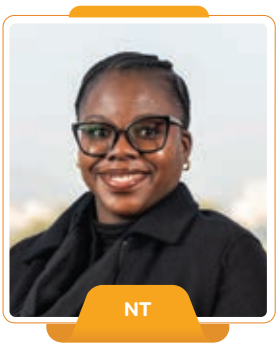
Daniel Mompati
Senior Group Accountant



Bofitlhile Malesela
Group Property Accountant

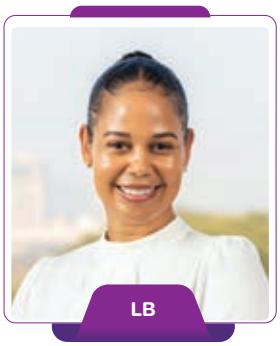
Joanne Robinson
Group Company Secretary

Dikitso Tsonope
Group Senior Data Analyst



Nthabiseng Thabo
Group Data Analyst

Neo Morgan
Group Data Analyst



Libu Brown
Group Risk & Compliance Officer

Segolame Audrey Mokoba
Accounts Assistant

Sefalana GROUP

Your basket of opportunities

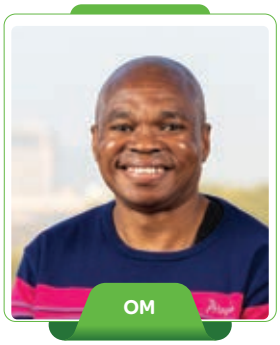
Lorato Radiposo
Head of Internal Audit

Tshepiso Matlhare
Group IT Auditor

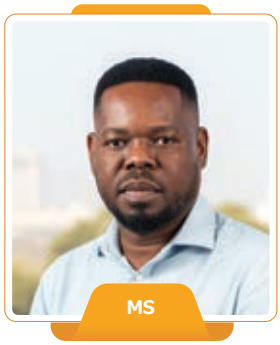
Yule Madikwe
Group Internal Auditor

Tapiwa Muzembe
Group Brand Custodian

Otsile Johwa
Group Human Resources Manager



Obert Mooketsane
Group HR Assistant Officer



Michael Simaye
Group IT Manager

Tumisang Mmopi
IT Administrator

Mosetsana Disela
Receptionist

Kgositsile Setumo
Messenger

Otsile Maoba
Office Cleaner

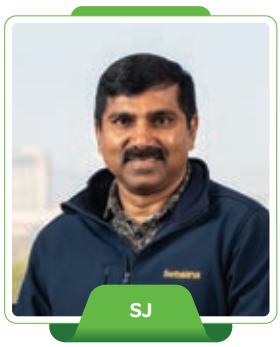
Gaolathe Solomon
Receptionist

Our Sefalana Cash & Carry Wholesale & Retail team

Our Management teams (continued)

Sunil Urath
Sefalana Cash & Carry
CEO

Moagi Buzwani
Country Head of Wholesale



Shintoy Joseph
Country Head of Retail

Mike Makin
Sefalana Cash & Carry
- Finance Director

Williard Kureva
Finance

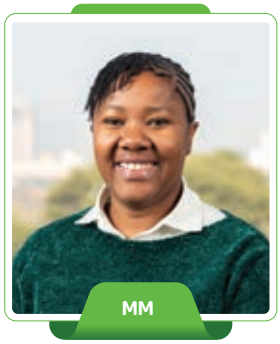
David Levin
Head of Corporate Services

Suvin Sukumar
IT Executive

Godfrey Ndwapi
Head of Risk

Mmoloki Kgwadi
Head of Human Resources

Kandankiralil Haris
Merchandise Executive

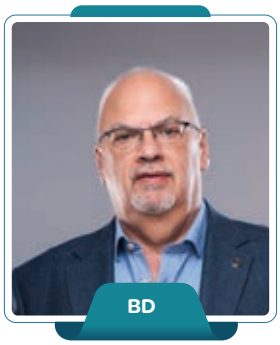


Maipelo Moatshe
Marketing Executive

Chris Bam
MDMA Manager

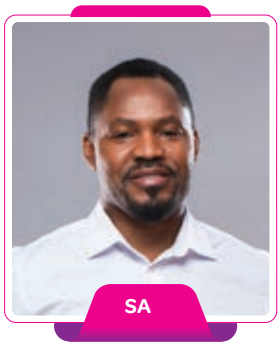
Our Metro Cash & Carry team

Our Management teams (continued)



Bryan Davis
Metro Cash & Carry Namibia - Managing Director

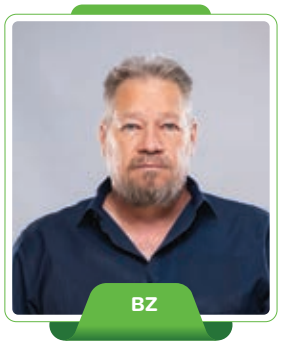
Eswee van Wyk
Deputy Managing Director



Sinsikus Amwiigidha
Finance Director

Kobus Boshoff
MDMA Executive

Jade Rickerts
Analytics & Systems Development Executive

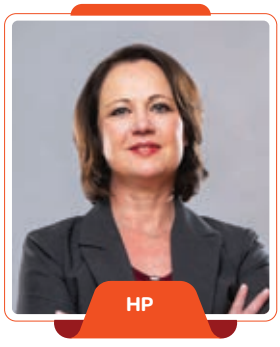


Bertie van Zyl
Operation Executive

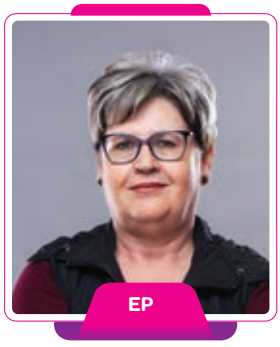
Nelson Purificacao
Fresh & Perishables Executive

Rhyno van Rooyen
Risk Executive

Ryno van Wyngaard
Marketing & Merchandise Executive

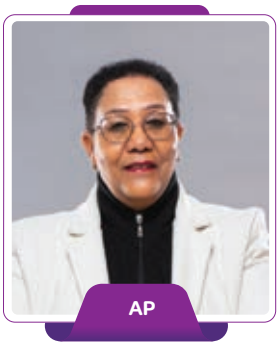


Heidi Pretorius
Human Resources Executive

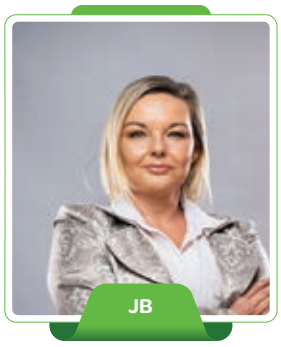


Erika Pienaar
GM : Merchandise

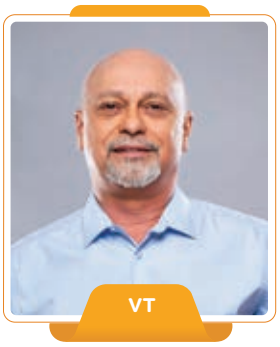
Louise de Wit
GM Asset Management & Logistics



Amanda Philander
GM: Sales



Janine Bolm
GM: General Merchandise & Metro Home



Vincent Taylor
GM: People Development

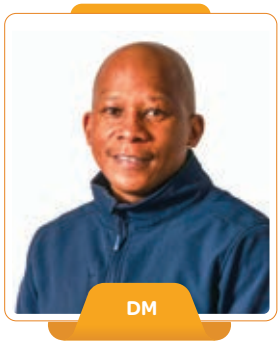
Lahja Risto
PA to the Executives

Our Lesotho Cash & Carry team

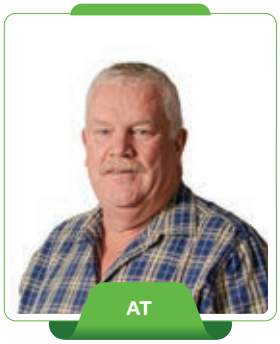
Our Management teams (continued)

Sefalana Cash & Carry Lesotho

Devin Serfontein
Country Director



Daniel Mompati
Senior Group Accountant



Andre du Toit
Maseru Branch Manager

Johnny Decastro
Retail Specialist

Etienne Botha
Maputsoe Branch Manager

Mohau Lebeko
Maputsoe Liquor Branch Manager

Sadik Patel
Senior Buyer

Keabetsoe Makha
Maseru Cash & Carry
Administration Manager

Khahliso 'Mota
Maputsoe
Administration Manager

Mantoa Sebophe
Maseru Liquor
Administration Manager

Dingaan Dingaan
Marketing Co-ordinator

Mofutsana Pitikoe
Regional IT specialist

Lethoko Ralethoko
Manager - Mohale's Hoek

Teboho Lephema
Sales Liquor Maputsoe

Maritumetsi Putsoa
Shopper Branch Manager

Our Seasons - Australia team

Our Management teams (continued)

Dustin Pereira
Seasons CEO

Warren Lovell
Chief Finance Officer

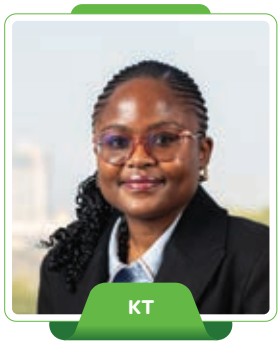
Our Foods Botswana Beverages team

Our Management teams (continued)

Foods Botswana Beverages
A Sefalana Group Company

Scharl Varnfield
Operations Manager

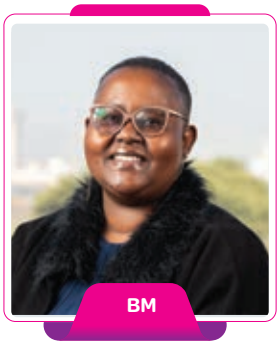
Zeenat Malek
General Manager



Koketso Tabengwa
Finance Manager

Murtuza Bengaliwalla
Sales Manager

Lucy Evans
Senior Lab Technician



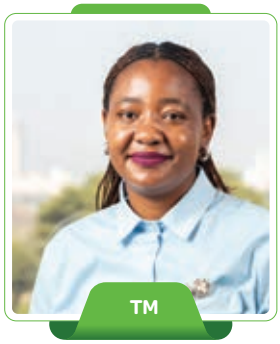
Boitumelo Moipolai
Human Resources Officer

Mosweu Tsumake
UHT Processing Supervisor

Comfort Letshwenyo
Production Foreman

Boikago Discharge
Warehouse Supervisor

Ene Xibiki Kgwarae
Water Production Supervisor



Tapiwa Maika
SHE Officer

Our Foods Botswana Milling team

Our Management teams (continued)

Foods Botswana Milling
A Sefalana Group Company

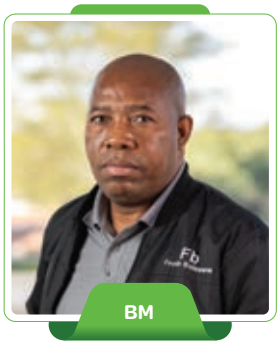
Oaitse Goitsemang
General Manager - Production

Patrick Muzhingi
Finance Manager

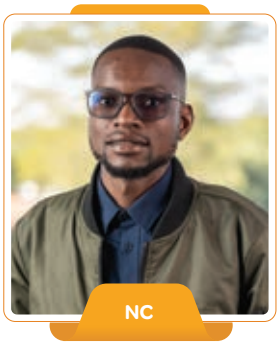
Randas Siziba
Miller

Mavis Manyaapelo
Human Resources Officer

Charles Mogami Mokgobinyane
Quality Assurance Officer



Blessing Mundaurimberi
Mechanical Technician



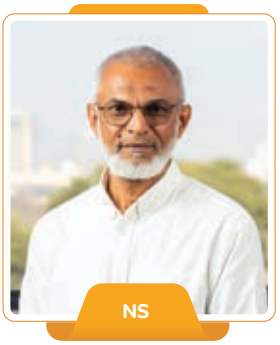
Nyaladzi Chitobela
Healthy & Safety Officer

Karabo Prince Masima
Production Manager

Our Commercial Motors team

Our Management teams (continued)

Akhtar Nanuck
General Manager



Nazim Shaikh
Parts Manager

Sanjeev Kumar
Workshop Manager
(MAN & Powerstar)

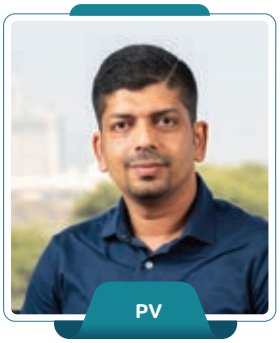
Upul Kalansooriya
Workshop Manager (Francistown)

Rejesh Kumar
Workshop Manager
(Tata, Honda, Baic & Eicher)

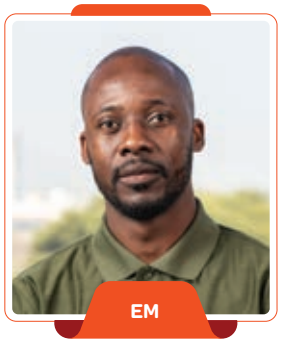
Our Sefalana Fresh Produce team

Our Management teams (continued)

Sefalana Fresh Produce
A Sefalana Group Company



Praveen Veliyath
Retail Business Manager



Ezekiel Masigo
Branch Manager

Lesika Mogotsi
Sales Manager
- Sefalana Catering

Paregh Ravindran
Business Development Manager
- Sefalana Catering

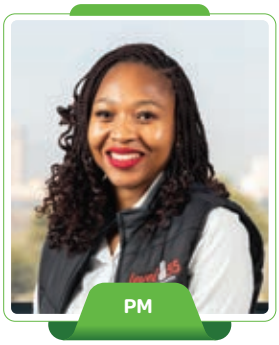
Katlego Boitumelo
Branch Manager
- Sefalana Catering

Our Level 55 team

Our Management teams (continued)

Suresh Balaraman
Director

Deon Mooney
Director

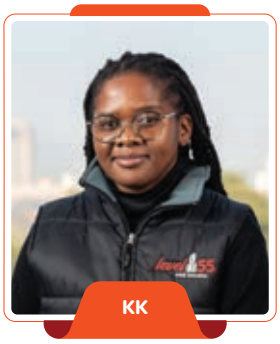


Pearl Mokgolodi
Finance Manager

Sylvester Bopape
Project Manager

Robert Mwayideyi
Factory Manager

Messiah Ketlhabanetswe
Admin Manager



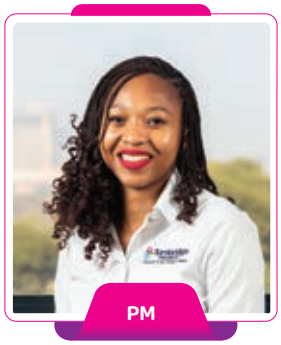
Kamogelo Lame Kedimotse
Project Co-ordinator

Our Turnbridge Projects team

Our Management teams (continued)

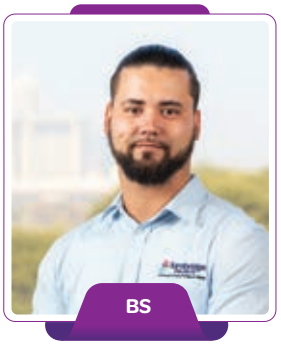
Brad Pullen
Director

Manikandan Thanu Krishnan
Factory Manager



Pearl Mokgolodi
Finance Manager

Gofaone Seleka
Sales Manager



Brandon Smith
Outdoor Manager

Sefalana Cash and Carry Limited

Sefalana Cash and Carry has evolved to meet the needs of the modern-day customer. Through astute leadership and a devoted staff complement, we have been able to bring forth a number of 'Firsts' to the Botswana market. These include:

Sefalana TRADING

Sefalana
Sa Rona - Your family value store

Sefalana Hyper
Sefalana Shopper
Sefalana Cash & Carry
Sefalana Quick
Sefalana Liquor

Sefalana Cash and Carry Limited operates in the fast - moving consumer goods ("FMCG") sector. **The Company's store portfolio is spread strategically across Botswana. We are now Botswana's leading FMCG business. We have 146 outlets across the country.**

1. **Launch of Sefalana Rewards in 2016**, making Sefalana the first local entity to introduce a loyalty program to its customers, allowing customers to earn points on current purchases which can be redeemed at a later date. We improved this offering to include an option to 'Bank Your Change' which is proving popular with customers.

2. **Launch of Sefalana's first fuel station under the Puma franchise in Setlhoa in 2019**, offering added convenience to customers who can refuel while shopping for groceries on their way home. We now operate 6 fuel stations across Gaborone under the Puma, Caltex and Shell franchise.

3. **Launch of our first hybrid store in 2019 (Sefalana Shopper Setlhoa,** ' The BIG One'). This store offers an extensive range of fresh fruit and vegetables, a butchery, a bakery, a hot foods deli, an in-store pharmacy, a fresh seafood section, a 'grab and go' corner for quick meals and an Eastern delicacies section offering Asian spices and herbs. We have grown this format to 3 stores in total, including locations in Molapo and Mogoditshane.

4. **Launched our very own chicken franchise, Wings & Things,** in 2020 competing directly with leading fast food chains. Wings & Things has presence in 41 stores. This offering is becoming increasingly popular as our range of offerings expands.

5. **During the year, we expanded our food offering through the launch of our "Bake & Grill" concept,** which serves freshly prepared pizzas and shawarmas. The concept currently has a presence in three stores, with plans underway for further rollout across additional locations.

We are represented across the country in the following formats:

22	Cash & Carry outlets trading as "Sefalana Cash & Carry"
6	Hyper Stores operating as "Sefalana Hyper"
38	Retail supermarkets trading under the name "Sefalana Shopper"
66	Liquor stores called 'Sefalana Liquor'
8	Convenience stores under the name 'Sefalana Quick'
6	Fuel stations

In addition, the Company has just over 300 voluntary retail franchise members located throughout Botswana who trade under the **names Saveway, Supa 7, Supa Deal, Citi Saver and Pula Value. This initiative supports the Group's vision of improving the lives of Batswana through promoting entrepreneurship.**

300

voluntary retail franchise members **located throughout Botswana**

Sefalana Cash & Carry Limited
(continued)

During the year, the division opened 11 new stores, including renovations to our Shopper and Hyper stores. These upgrades introduced fully serviced departments such as bakeries, juice bars, and delis. **We are excited about our continued growth and have plans underway to open more stores and further expand our footprint**

Looking back at our history, our operations commenced in 1974 when Sefalana Sa Botswana was formed and took over the operations of Bechmalt Holdings which included six wholesale stores. Over the last 52 years, our FMCG operations have expanded throughout the country making Sefalana a household name and a trusted Botswana brand.

We pride ourselves in being a one-stop-shop for our customers and providing a wide range of quality products and services at competitive prices.

Our focus continues to be on enhancing the shopping experience

for our customers through improved product displays, a diversity of new products sourced from across the globe, well stocked aisles and a better store layout and access to a variety of services.

Our dedicated store management team is always keen to provide a helping hand to customers and is supported by a team of Regional Managers and a central leadership structure. Store managers focus on running their stores, meeting consumers and supporting Communities in line with providing the highest levels of quality and experience that customers expect from a brand they have come to believe in and trust.

Our 'A Star' range of branded products continues to gain popularity and is a top seller in our stores, **providing to be a preferred brand for customers. A second private label brand, Family Favorite, was relaunched in the market in 2021.**

We are increasingly becoming a preferred Retailer and Wholesaler of choice in the market through our hard work and dedication to quality customer experience. We focus on ensuring our supply chains are efficient and reliable and that our service standards are monitored closely and continually improved, increasing efficiency and achieving optimal levels of inventory in store.

Our 'A Star' range of branded products continues to gain popularity and is a top seller in our stores, proving to be a preferred brand for customers. A second private label brand, Family Favourite, was relaunched in the market in 2021. Together we have over 50 different private label products. Our brand ranges from perishables such as milk and flour to household toiletries and canned products. This has allowed us to offer our customers quality products at competitive prices.

The market share of our retail division continues to grow as we move from catering for the lower-medium income earning market to including the more affluent, modern consumer. We aim to further contribute to the market through enhancing our product offering, modernising the layout of our stores and creating more modern stores.

Sefalana continues to be an employer of choice, and this is why we have long-standing employees, some of whom have been with us from the very beginning. We believe in investing in our human capital and providing continuous development programs for our staff. All training programs are HRDC accredited and enable career progression. Sefalana utilises programmes from the University of Stellenbosch primarily for management and leadership development. We are proud of having the best Graduate Trainee program in the FMCG market which is one of the most sought after programs in the country. We have recently launched an in-house e-learning platform to give better access to training, and an intranet that provides staff with a plethora of useful and relevant information related to their employment.

We partnered with the Botswana Institute of Chartered Accountants (BICA) and are a BICA Accredited Training Employer (ATE) offering approved practical experience towards the BICA qualification. We are proud of this accreditation and are happy to have BICA trainees under our employment, developing future leaders.

Drive Your Dream Car Birthday Promotion

During the year, the Group celebrated its anniversary by giving back to customers through the "Drive Your Dream Car" Birthday Promotion, implemented across both the wholesale and retail divisions. This initiative reflected the Group's commitment to recognising and rewarding customer loyalty.

As part of the promotion, 30 vehicles were awarded to customers, with 15 vehicles allocated to the wholesale division (Hyperstores and Cash & Carry) and a further 15 vehicles to the retail division (Shopper, Liquor and Quick stores).

The wholesale promotion was launched with a parade from Shopper Molapo Crossing to Hyper Gaborone, while the retail phase commenced with a 21km half marathon from Shopper Setlhoa, generating strong in-store and community engagement.

Overall, the promotion served as a meaningful expression of appreciation to customers, enhancing brand visibility, strengthening relationships, and encouraging repeat store visits.

Sefalana Cash and Carry Namibia
(Proprietary) Limited ("Metro")

In December 2013, Sefalana embarked on its Regional expansion journey and took the bold step of opening our first store outside of our borders in Katima Mulilo, Namibia. **Within a year, the Group acquired Metro, one of the largest FMCG chains in Namibia with 12 stores spread across the country. This enabled us to carve our footprint deep into Namibian soil and make a name for ourselves in the local market.**

Led by an experienced management team in Windhoek, Namibia and a staff complement of just under 2,000 employees, our Namibian business has achieved tremendous success over the years.

Our mission is aligned with our core values as we build a sustainable basket of opportunities for our shareholders, employees and customers. We strive to exceed customer expectations through provision of a pleasant and affordable experience driven by innovation and data driven decision-making.

We continue to look

for suitable sites to make the brand more accessible to customers and identify opportunities to revamp existing stores, providing a new look and feel for our customers.

We pride ourselves in offering a wide choice of products at the best possible prices to the consumer and members of staff. In line with this, we have extended our offering at key stores in the country through the introduction of in-store fruit & veg department, bakeries and butcheries making our stores a one-stop shopping experience for our customers. As part of our store enhancements, we have introduced water refill stations and take away departments to selected locations.

Metro

Metro fresh
where value meets freshness

Metro home
where value meets home

We are pleased to have extended our presence in new localities across Namibia, **serving more customers closer to their homes. We now have 32 stores across the country.**

In 2023, we introduced Metro Home and Metro Fresh. Metro Home brings you a selection of home essentials, from kitchenware, home decor to bedding and bath accessories. Meanwhile, Metro Fresh offers a vibrant fresh produce section, showcasing a diverse array of fruits and vegetables, alongside a Deli where you can indulge in a wide range of our delights. This unique offering has been well received by the market.

We offer nationwide Delivery and Telesales services, reaching even the most remote areas of the country ensuring that shoppers have convenient access to all major brands. Each of our stores is equipped with a dedicated Telesales person who is readily available to assist customers with bulk orders.

Sefalana's private label range of products (Family Favourite) does well in the Namibian market through collective cross-country efforts with Botswana and Lesotho to offer our customers quality products at affordable prices.

Over the years, the Metro business has registered over 500 Banner members under the Lucky 7 and The Rainbow Franchise program. We continue to provide support through advertising, branding and pricing to support local business owners. These establishments have been deeply rooted in various local communities for many decades, enjoying a well-established presence and a high level of familiarity among the local residents. These initiatives are aligned to the Group's objective of driving entrepreneurship and improving the lives of the communities we serve.

We launched our Metro Loyalty Rewards Program in 2022. The program is a first of its kind in the Namibian market offering customers instant discount, cashback, bank your change and automated competition entries. We aim to leverage the customer insights gained through the tool to offer customers targeted communications and promotions to influence their shopping behaviour. We are actively working towards achieving our target of 400,000 members.

Our stores provide a range of additional customer service offerings, such as Banking Kiosks, in store ATMs and self service Vending Machines.

Metro is focussed on developing the workforce for tomorrow. We have a number of training programs available empowering the youth of Namibia and developing our staff through continuous coaching and mentorship opportunities. Our primary focus revolves around enhancing customer service and investing in staff development.

At the end of the year, the Namibian business store complement consisted of the following:

22	Cash and carry stores ("Metro Cash & Carry")
1	Hyper store ("Metro Hyper")
3	Supermarket stores ("Metro SUPER market")
4	Liquor stores ("Metro Liquor")
1	Metro home store ("Metro Home")
1	Metro fresh store ("Metro Fresh")

In 2025, this division launched a hybrid retail supermarket, ("Metro SUPER market") , that provides a one-stop shopping experience with full-service departments.

The store offers a wide range of general groceries while also featuring specialized products such as organic foods, imported goods, and niche brands.

Sefalana Trading Lesotho

T/A Sefalana Cash & Carry Lesotho

In November 2016, Sefalana entered the Lesotho market through a takeover of the country's largest distribution and logistics company, TFS Wholesalers, Distribution and Logistics in Maseru.
The acquisition provided us with the opportunity to achieve a strong presence in the market in a short space of time, making Sefalana a market leader in the country.

In order to meet the growing market demand, an additional warehouse was secured in 2017 and in 2018 we opened our doors to the largest liquor wholesale in the country. This year marks ten years of operations in Lesotho. We have a staff complement of just over 320 employees.

Through understanding the needs of the local population and developing the Sefalana brand name in Lesotho, we gained the trust of small retailers, business owners and suppliers. This allowed us to further expand operations, and we opened a new cash and carry store and liquor wholesale in Maputsoe in 2018.

During the year,

the division launched its first retail supermarket ("Sefalana Shopper") in Lithabaneng strengthening its presence in the retail sector. The store introduced new offerings, including a bakery, frozen meat section and a deli section.

Sefalana Cash & Carry Lesotho

Our efforts to establish a unique hybrid atmosphere have resulted in an enhanced customer experience for both retail and wholesale customers. We have since improved the ranges and pack sizes offered to cater for this new market extension.

Our stores offer an extensive range of products and services, making us a household name over the last ten years. Through continuous engagement with customers, we are able to understand local buying trends and customer spending patterns. This has allowed us to maintain our title of the largest retailer in the country.

We relaunched our Banner Group program supporting the Group's vision of supporting entrepreneurship and improving the lives of the communities we serve.

We continue to launch our House brand ranges, A Star and Family Favourite to the market to offer our customers quality products at affordable prices. We look forward to driving this area of the business in conjunction with our counterparts in Botswana and Namibia.

Over the years, we have introduced a number of solutions to improve our offerings in-store. We pride ourselves in making various platforms available to Basotho. We launched our MPesa program in 2020 and this has become a preferred payment method by many customers. In addition, we have introduced EcoCash, an alternate mobile money solution. These payment methods have enabled our customers a risk free payment option at every one of our stores. We have also established a social media platform to effectively communicate our promotions to customers and facilitate interaction with them.

We look forward to expanding our market share through the introduction of innovative solutions, inspired by the advancements made in other parts of our well diversified Group.

We were the first business in Lesotho to offer speedpoints payments attracting a higher LSM customer. These solutions enable risk free transactions attracting the high unbanked population in Lesotho. We continue to expand our offering making shopping more convenient and accessible to our customers.

Our store complements consists of the following in the Maseru, Maputsoe and Mohale's Hoek region:

- 2 — Cash and Carry outlets trading as "Sefalana Cash and Carry"
- 3 — Liquor stores "Sefalana Liquor"
- 1 — Retail supermarket trading under the name "Sefalana Shopper"

Through continuous engagement with customers, we are able to understand local buying trends and customer spending patterns. **This has allowed us to maintain our title of the largest retailer in the country.**

Celebrating a decade of meaningful impact

Introducing Lesotho's First Retail Mascot

Sefalana introduced Lesotho's first retail mascot to strengthen customer connection and reinforce its commitment to ethical, transparent, and inclusive brand engagement.

10 YEARS Sefalana LESOTHO

Sefalana Lesotho opens its first Shopper retail store

Reflecting a journey of meaningful impact rooted in community upliftment, responsible practices and sustained social investment

UMS Investment Holdings (Pty) Ltd

("UIH Group")

UMS is a voluntary trading organisation established in 2001 with the aim of providing a unique and **comprehensive business solution to independent wholesalers and retailers in South and Southern Africa.**

The business model offers the benefits of a total franchise offer, including a comprehensive range of products and services, but without the rigidity of a franchise group and associated costs.

UMS is a voluntary trading organisation established in 2001 with the aim of providing a unique and comprehensive business solution to independent wholesalers and retailers in South and Southern Africa.

COMPREHENSIVE BUSINESS SOLUTIONS

The business model offers the benefits of a total franchise offer, including a comprehensive range of products and services, but without the rigidness of a franchise group and associated costs. Today UMS is the largest independent voluntary trading association (measured in terms of member sales out) in South Africa.

UMS members trade under the brand names Power Trade (wholesale and hybrid outlets), Food Town (retail and hybrid outlets), Best Buy (both wholesale and hybrid) and Price Rite or under their own brand as 'trading partners'.

The UIH Group comprises two business units:
Unitrade Management Services ("UMS"); and
Consolidated Store Holdings ("CSH").

CSH is a wholly owned subsidiary of the UIH Group. The subsidiary comprises various stores across six provinces within South Africa, trading under the following trading brands:

- **Price Rite** – Four distribution centres;
- **Power Trade** – One wholesale store and five hybrid stores; and
- **Food Town Hyper and Food Town** – Five retail supermarkets.

Of the UIH Group's 450+ stores, 82% are located in South Africa, while the remaining 18% **are within the rest of Africa, including Botswana, Namibia, Lesotho, and Eswatini.**

Foods Botswana Milling

(Pty) Limited ("Foods Botswana")

Foods Botswana Milling was established in 1981 and operates a factory in Serowe. It was felt that the central location of Serowe, together with its growing population, **abundant water supplies and power source through the Morupule Colliery located nearby were an added advantage to operating a production plant in the area.**

With a workforce of only 20 employees at the time, the plant commenced production of sorghum, malt and beer powder. In 1989 together with the Government of Botswana and international NGOs, the entity embarked on a research and development project that led to the production of a nutritious supplementary weaning food known today as Tsabana.

Through its 45 years since inception, Foods Botswana has grown into a reliable producer of quality products for the Nation and is accredited by the Botswana Bureau of Standards.

Over the next few years

extruders were installed to enable production of Tsabana and a modern, pneumatic plant was constructed. In 1993, the Government awarded Foods Botswana its first contract to supply Tsabana and an additional wholesome product, Malutu, a pre-cooked fortified maize meal, to vulnerable groups across the country.

Foods Botswana Milling

In 2015, operational capacity was increased through the commissioning of two additional silos and a new maize plant in Serowe. This has enabled a better grain storage facility, improved the quality and value of our products and allowed for increased production.

Through its 45 years since inception, Foods Botswana has grown into a reliable producer of quality products for the Nation and is accredited by the Botswana Bureau of Standards. With a staff complement of just under 150 full time employees and 70 temporary employees, the entity is one of Serowe's largest employers, and continues to supply the Government with Tsabana and Malutu.

In addition to the above, Foods Botswana produces a range of house brand products for Sefalana Cash & Carry and other leading FMCG companies. These products include mabele, samp, sorghum and maize meal under the A Star and Econo brands. The Milling division also offers a range of legumes to the market which includes cowpeas, samp and beans and black eyed beans. This diversification and product extension has helped grow this business unit.

The Company continues to support its local community through social contributions and supporting farmers through the purchase of sorghum. Foods Botswana encourages local farmers to increase production enabling them to be the Mill's first choice in sorghum selection rather than sourcing grain from outside the country. We strive to create a mutually beneficial relationship that empowers farmers, strengthens local economies and to provide them with a reliable market for their sorghum crops.

Effective and strategic grain procurement policies, together with ample working capital allows the Company to reduce the risk of constantly shifting commodity prices thereby sourcing grain at a reasonable cost. This has allowed us to reasonably price our products, making them affordable for our customers.

Foods Botswana Beverages

(Pty) Limited ("Foods Botswana")

Our Beverages division has just completed eleven years of operations after being purchased from the liquidated Delta Dairies business in 2015. **The division operates from its milk processing plant in Broadhurst Industrial and produces long life, UHT milk under the brand names of Delta Fresh and A Star.**

This division started off with 54 employees which were retrenched by Delta Dairies. We are pleased to have re-employed these people who would have otherwise lost their jobs. Since then, we are pleased to have increased the total number of employees to just over 160 full time employees and 60 temporary employees.

In late 2016, the division commenced production of milk for the Government milk feeding scheme. In addition to the Government feeding scheme, we supply a number of commercial chains in Botswana.

Focus on growing our in-store presence

We are focused on growing our in-store presence making our products more accessible and attractive to customers. We also manufacture house brands for leading commercial chains and look forward to expanding this offering to other chains.

Fb Foods Botswana Beverages

We continue to focus on strategic procurement of milk, building relationships with South African and Batswana dairy farmers to mitigate shortages in supply of raw milk. We have partnered with local farmers to ensure consistent supply of milk and look forward to providing capital and infrastructure support to increase their outputs.

As demand for our products increased, we brought our A-Star water production in-house and procured an additional water plant during the period. This was commissioned in early 2025 and will more than double our production capacity. We look to becoming the leading water brand in Botswana in due course.

In 2022, the business purchased a water and juice bottling plant. Our product offerings include a variety of flavoured, sparking and still water under the "Clear Water" brand, which is available in all Sefalana Stores and other retail outlets.

Seasons Group - Australia

In May 2020, we were elated to welcome our very first offshore FMCG business to the Sefalana family. **This was after a careful evaluation period of over 18 months and based on a need to diversify our income stream and foreign exchange exposure.**

The Seasons Group emerged with a single standalone store in Brisbane, Queensland, Australia in 2019 which quickly developed into a chain of four stores across the Brisbane area. This was achieved through understanding the local market and providing a largely bespoke offering to the community.

The Seasons IGA provides a premium shopping experience with a full-line supermarket serving as one stop shop for consumers

GROWTH THROUGH EXPANSION

Through developing a loyal and regular customer base, looking for opportunities for investment and the desire for expansion, we now have a total of 9 stores in the Queensland area.

Sefalana's investment in the Australian business is at a 30% shareholding and has been treated as an associate entity.

Sefalana Properties

Sefalana holds just under 800 000 square metres of land, of which 165 000 square metres is developed property. **Sefalana and its subsidiaries occupy approximately 75% of the developed property with the remaining 25% let out to third party tenants.**

Our local properties are spread throughout Botswana and include office blocks, workshops, factories, and warehouses. Our undeveloped land provides the Group with a remarkable potential for future investment and capital appreciation.

A key development is the Setlhoa site in Gaborone, where most of the 35,000 sqm property has been developed, including the Sefalana Shopper "The BIG One" retail store, a petrol station and a Sefalana Quick convenience store, alongside other retail tenants. The site continues to attract strong customer traffic.

GROWTH THROUGH EXPANSION

We have also invested in properties outside of Botswana namely Zambia, Namibia and Lesotho which complement our operations in these areas and from which we earn a favourable rental income.

Sefalana PROPERTIES

Sefalana continues to evaluate further opportunities to expand and strengthen its Group property portfolio and diversify our investments for long-term growth and value creation for our stakeholders.

Sefalana Fresh Produce

Fresh Produce Division (Pty) Limited ("SFP")

Sefalana Fresh Produce (Pty) Limited (SFP), operates from Gaborone North and employs just under 70 staff. **SFP began as a wholesaler of fresh fruit and vegetables and supplied its produce to Sefalana stores throughout the country.**

SFP has since expanded its customer base and now supply fruit and vegetables to leading wholesalers, retailers and restaurants in the country. In 2021 we opened our doors to everyday hawkers who have become regular customers.

We are grateful to support these small businesses, empowering the lives of Batswana and promoting entrepreneurship and look forward to further developing these relationships.

LOCALLY SOURCED

Fresh produce is purchased predominantly from local farmers in Botswana and a proportion from South African farmers where necessary. In the last few years, we have built strong relationships with local farmers, enabling the production of high quality fruit and vegetables and purchasing these local harvests.

Sfp
Sefalana Fresh Produce
A Sefalana Group Company

With the demand for local produce increasing, we have partnered with several farmers providing capital and infrastructure support to enable consistent supply of produce for Sefalana stores and other customers. This approach has proven to support local agriculture in Botswana and reduce the dependence on imports.

We have noted a significant improvement in both the quality of fresh fruit and vegetables supplied by SFP as well as profitability of the business. SFP has prioritized delivering produce that is carefully selected, ensuring optimal ripeness, flavour and nutritional value. This has enabled us to offer a more favourable price to our customers and be more competitive in the local fruit and veg market.

With the focus on expanding operations and diversifying sales, the business has begun updating its product offerings to reflect seasonal availability and market demand. This has proven to be successful in light of the import restrictions and strain on local supply.

This division has done exceptionally well and we look forward to an even greater contribution from this business as we expand our FMCG business and fresh produce client base.

Sefalana Fresh Produce

Catering division (Pty) Limited ("SFP")

In 2025, this business took over the catering division ("Sefalana Catering") **previously managed by Sefalana Cash and Carry.**

The Catering Division commenced operations in 2018 and is now well into its eighth year of operations. This business is located in Gaborone West Industrial and employs just over 60 staff.

This division is focused on the supply and delivery of frozen food and related catering equipment to the local hospitality industry, offering over 2000 product lines such as ready-made cakes, desserts, frozen French fries, ribs, chicken and seafood.

BEST QUALITY, AFFORDABLE PRICES

Using the division's fleet of multi-temperature vehicles and freezer facilities, we ensure all products are delivered in a safe manner, ensuring the best quality at affordable prices.

Sefalana Catering

Sefalana Catering aims to be the preferred supplier to the Hotel, Restaurant, Lodge and Catering industry in all corners of Botswana, offering a full range of frozen, chilled and ambient products and equipment.

Commercial Motors

(Pty) Limited ("CML")

Commercial Motors is the official franchised local representative for MAN (heavy commercial vehicles), HONDA (passenger vehicles and motorcycles), **TATA (light and heavy commercial vehicles, POWERSTAR (heavy commercial vehicles), Eicher (trucks and buses), FOTON (heavy commercial vehicles), and BAIC (passenger vehicles) in Botswana.**

Commercial Motors started off with a small number of staff in 1998 with the objective of introducing the MAN and TATA range of vehicles to the Botswana market. Five years later in 2003, the entity took over the HONDA dealership in Botswana and became the official dealership of all three brands in the country, offering vehicle sales, parts and service.

Commercial Motors remains a relatively small but important and integral component of the Sefalana Group.

MODERN FULLY EQUIPPED WORKSHOP

Our dealership is located adjacent to the Sefalana Head Office on Kubu Road in Broadhurst Industrial, Gaborone. The facility comprises of modern showrooms and a fully equipped workshop, providing a state-of-the-art customer experience and efficient service support.

Cm Commercial Motors

We continue to provide a service network point in Francistown making servicing of vehicles and trucks more accessible to our valued customers in the Northern areas of Botswana.

Commercial Motors historically placed its focus on supplying vehicles to Government through tenders placed in the market. This strategy worked well for the entity and has seen the business grow from just five staff members in 1998 to its current count of just under 70 full time employees.

In the last few years, the entity shifted its focus from relying on tenders and steered towards growing private and fleet sales as we noted a reduction in Government spending in this sector. Through the use of latest technology, support from an experienced management team and dealership principals in South Africa, Commercial Motors has achieved international service standards and extended its customer base.

MAN (heavy commercial motor vehicles)

MAN is one of the world's leading international suppliers of vehicles and transport solutions with a wide range of trucks, special - purpose vehicles and buses of impeccable quality. As Germany's oldest listed Company, MAN possesses a history of producing innovative vehicles that have proved to be favoured over a number of its competitors. Focused on key technology, the company offers a variety of pioneering commercial vehicles, diesel and gas engines as well as passenger and freight transportation services.

MAN strives to make its transportation models safer, more efficient and environmentally friendly through focusing on three core initiatives; automated driving, connectivity and climate-friendly drives.

Tata (light and heavy commercial motor vehicles)

Tata Motors Limited is India's largest automobile company and is the market leader in commercial vehicles and amongst the top three in passenger vehicles in India. The TATA Group operates in more than 150 countries worldwide and has a consumer base of over 600 million customers. All TATA vehicles sold by CML are assembled in South Africa and come with a five year warranty.

Our Tata range of trucks predominantly specialises in construction and distribution vehicles. Our Tata buses offer three models with seating capacity for 28, 38 and 65 passengers. Our Daewoo range which operates under the TATA dealership also specialises in the truck segment giving our customers a wider range of choice. These trucks have set the benchmark in lifecycle costs, design and technology, offering comfort, reliability and safety at an affordable price.

Honda (passenger vehicles & motorcycles)

Honda commenced manufacturing motor vehicles in 1964 and has become a key player in the market through using its motto 'The Power of Dreams' to excel at producing modern, safe, fuel-efficient and award winning vehicles.

For nearly four decades Honda has aimed to exceed universal automobile requirements and became the first automaker to meet the Clean Air Acts standard in the 1970s. Honda exhibits a full range of cars, from its best-selling Civic and HR-V global models to country specific models such as the Ridgeline pick-up truck for North America and the N-BOX mini for the Japanese market. Honda engines are renowned for their fuel-efficient engines using the popular i-VTEC engine.

We offer a range of passenger vehicles, including the latest Honda Fit, the refreshed Honda CR-V, and the all-new Honda Elevate, which boasts a stylish, premium design that not only looks great but also elevates your driving experience.

Honda also offers a range of motorcycles, from commuter models to dynamic sports bikes, providing convenience and enjoyment for riders globally.

BAIC (SUV passenger vehicles)

During the prior year the business took on an additional dealership – that of BAIC, a Chinese motor brand established in 1958. This has evolved into one of China's largest automotive groups. This dealership offers a wide range of BAIC SUV vehicles, known for their innovation and high-quality performance. BAIC Group combines advanced technology with outstanding design to deliver vehicles that cater to various customer needs, from everyday driving to off-road adventures.

We currently offer the B40plus and x55 plus. There has been a significant level of interest in this brand due to its competitive pricing and value offering.

Eicher, Powerstar and Foton (heavy commercial vehicles)

In 2024, the business expanded its portfolio with the introduction of new truck and bus brands namely; Eicher, Powerstar and Foton, offering durable, high-performance vehicles designed for construction, mining, logistics, and passenger transport in Botswana. The range includes heavy-duty and fuel-efficient models built for reliability and productivity.

Level 55

(Pty) Limited ("Level 55")

Level 55 (Pty) Limited was established in June 2023 as a subsidiary of Sefalana Holding Company Limited. Sefalana holds a majority stake of 65%, **with a minority shareholding of 35% being held by a technical partner from South Africa with over 25 years of expertise in joinery manufacturing and turnkey shopfitting solutions.**

Level 55 procures and supplies shop fittings and equipment for commercial premises, tailored to meet customer specifications. This business operates from Broadhurst Industrial and started with just 9 employees and now employs just over 30 staff members. The staff complement is expected to grow in line with the business's overall growth.

Level 55 is committed to providing seamless, high-quality solutions for every project. This business focuses on installing fixtures and fittings, including shelving, racking, and refrigeration. It also handles joinery work and creates specialized units, such as for delis, bakeries, and butcheries.

CUSTOM-CREATED SHOP FITTINGS

Level 55 has completed several projects to date, including multiple new Sefalana stores. The shopfitting designs were custom-created and manufactured to meet the specific needs of Sefalana Cash and Carry stores, enhancing the aesthetic appeal of the stores, elevating the shopping experience, and setting new market standards.

level 55 retail innovation

As Level 55 grows and increases its manufacturing capabilities, the company plans to expand its reach to neighbouring markets, specifically Namibia and Lesotho. Leveraging the Sefalana Group's established presence in these countries, Level 55 aims to capitalise on existing networks to facilitate market entry and export fittings and installation services.

Turnbridge Projects

(Pty) Limited ("Turnbridge")

In April 2024, we were excited to launch our **first commercial printing and signage offering - Turnbridge Projects. This division has a staff complement of just over 20 employees.**

This division specialises in commercial printing, packaging and signage. We provide a wide range of customized solutions to meet the unique needs of businesses. With a focus on precision and innovation, we use cutting-edge machinery and advanced technology to produce durable, attention-grabbing signage.

Our services include indoor and outdoor signage, banners, digital printing, promotional displays, and high quality printing for business materials and marketing collateral.

STATE-OF-THE-ART EQUIPMENT

We've made significant investments in state-of-the-art equipment to ensure each project meets the highest standards for quality, efficiency, and durability. Our technology enables us to deliver outstanding precision and results, making us a trusted partner for businesses looking to elevate their brand presence.

As Turnbridge Projects continues to grow, we aim to become a market leader in commercial printing and signage in Botswana. We're excited to also expand our services into Namibia and Lesotho, where we'll leverage Sefalana Group's established presence in these markets.

PRINTING · PACKAGING · SIGNAGE
Reception

05

ANNUAL FINANCIAL STATEMENTS

52 years of creating value

Welcome to our **annual financial statements**

Directors' statement of responsibility

The directors of Sefalana Holding Company Limited are responsible for the preparation and fair presentation of the consolidated annual financial statements of Sefalana Holding Company Limited and its subsidiaries ("the Group"), comprising the consolidated statement of financial position as at 26 April 2026, and the consolidated statement of comprehensive income, consolidated changes in equity and consolidated cash flows for the 52 week period then ended ("the financial year/the year"), and the notes to the financial statements, which include material accounting policy information and other explanatory notes in accordance with IFRS®Accounting Standards as issued by the International Accounting Standards Board and the IFRIC® interpretations.

The directors have reviewed the Group budgets and cash flow forecasts for the 52 week period to 25 April 2027 and the period 26 April 2027 to 31 August 2027. On the basis of this review, and in the light of the current financial position and existing borrowing facilities of the Group, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of their operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards.

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors' responsibilities also include maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the directors endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The group's system of controls includes controls over the security of the website and specifically establishing and controlling the process for electronically distributing annual financial statements and other financial information to Shareholders.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the consolidated financial statements. The financial statements have been examined by the external auditors and their report is presented on pages 220 to 225.

Directors' approval of the financial statements

Against this background, the Board of directors accepts responsibility for the consolidated financial statements on pages 226 to 289 which were approved on 27 July 2026 and signed on its behalf by:

JM Marinelli
Chair

CD Chauhan
Group Managing Director

Independent auditor's report

To the shareholders of Sefalana Holding Company Limited

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Sefalana Holding Company Limited (the Company) and its subsidiaries (together the Group) as at 26 April 2026, and of its consolidated financial performance and its consolidated cash flows for the 52 week period then ended in accordance with IFRS Accounting Standards.

What we have audited

Sefalana Holding Company Limited's consolidated financial statements set out on pages 226 to 289 comprise:

- the consolidated statement of financial position as at 26 April 2026;
- the consolidated statement of comprehensive income for the 52 week period then ended;
- the consolidated statement of changes in equity for the 52 week period then ended;
- the consolidated statement of cash flows for the 52 week period then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

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Our audit approach

Overview

Overall group materiality

- Overall Group materiality: BWP22,067,850, which represents 5% of consolidated three-year average profit before tax

Group audit scope

- The Group comprises the Company, fifteen subsidiaries across Botswana, Namibia, Zambia, Lesotho, Mauritius and South Africa and two associates situated in Australia and in South Africa, each considered to be components of the Group. We assessed six components, including a sub-subsidiary as significant due to size and conducted full scope audits on them as well as on the Company. Additionally, on six components that were determined as being nonsignificant, an audit of one or more financial statement line items was performed to obtain a sufficient level of coverage over the consolidated financial statements. The remaining components were determined as being inconsequential.

Key audit matters

- Allowance for slow moving and obsolete retail inventory included in inventory provisions

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	*BWP22,067,850*
How we determined it	*5% of consolidated three years average profit before tax*
Rationale for the materiality benchmark applied	*We chose consolidated three-year average profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company, fifteen subsidiaries across Botswana, Namibia, Zambia, Lesotho, Mauritius and South Africa and two associates situated in Australia and in South Africa, each considered to be components of the Group. We assessed six components, including a sub-subsidiary as significant due to size and conducted full scope audits on them as well as on the Company. Additionally, on six components that were determined as being non-significant, an audit of one or more financial statement line items was performed to obtain a sufficient level of coverage over the consolidated financial statements. The remaining components were determined as being inconsequential.

In determining our overall group audit strategy, we assessed the nature, timing, and extent of audit work required at each component that is in scope. This work was performed either by us, as the group audit team, or by another PwC network firm or by non-PwC firms, operating under our instructions. Audits of eight components, including that of a sub-subsidiary and the two associates, were performed by non-PwC firms. For work performed by component auditors, we set guidelines for the level of involvement needed by the group engagement team to ensure the sufficiency and appropriateness of audit evidence to support our opinion on the Group's consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Allowance for slow moving and obsolete retail inventory included in inventory provisions *Refer to the following disclosures in the consolidated financial statements:* • *Note 4.2.3 - Key sources of estimation uncertainty – Allowance for slow moving and obsolete inventories; and* • *Note 23– Inventories.* *At 26 April 2026, the Group recognised an inventory provision of BWP175 Million (2025: BWP158 Million) which includes the provision for the allowance for slow-moving and obsolete retail inventory of BWP71 Million (2025: BWP65 Million).* *Significant judgement is required by management in determining the allowance for slow moving and obsolete retail inventory as disclosed in note 4.2.3. Significant assumptions and judgements are applied in the following areas:* • *Determining the ageing of the inventory held at the year-end date based on historical sales quantities;* • *Estimating the likely sales discounts (below original cost), which the company may have to offer in order to sell slow moving items; and* • *Estimating the extent of losses which the company may incur when writing off obsolete items.* *We considered the value of the allowance for slow moving and obsolete retail inventory to be a matter of most significance to the current year's audit due to the significant judgements and assumptions applied in determining the provision required.*	*We obtained management's calculation of the allowance for slow moving and obsolete retail inventory and performed the following.* *We:* • *Calculated a point estimate and compared to management's provision, with no material differences identified* • *Independently recalculated the allowance using the judgements and estimates applied by management from the source data obtained. We noted no material exceptions; and* • *Assessed the overall reasonableness of the assumptions used to determine the allowance by comparing the prior year's allowance to actual stock adjustments processed during the year. The assumptions were found to be reasonable.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "Sefalana Holding Company Limited Annual Financial Statements for the 52 week period ended 26 April 2026" and "Sefalana Holding Company Limited Annual Financial Statements for the 52 week period ended 26 April 2026" which we obtained prior to the date of this auditor's report, and the document(s) titled "Sefalana Integrated Annual Report 2026", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing Member: Sheyan Edirisinghe (CAP 004 2026)

28 July 2026
Gaborone

Consolidated Statement of Comprehensive Income

For the 52 week period ended

	Note	52 weeks period ended 26 April 2026 P'm	52 weeks period ended 27 April 2025 P'm
REVENUE	5	**12 127**	**11 174**
Cost of sales		(11 426)	(10 381)
Gross profit		701	793
Other income and gains	8	43	156
Administrative expenses		(408)	(394)
Earnings before interest, tax and amortisation (EBITA)		**336**	**555**
Amortisation of intangible assets	17	(12)	(7)
Investment income	7	57	47
Finance costs	9	(53)	(38)
Profit before share of results of associates		328	557
Share of profits / (loss) of associates	18	3	(7)
Profit before tax	**11**	**331**	**550**
Income tax expense	10	(97)	(124)
PROFIT FOR THE YEAR		**234**	**426**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net gain on revaluation of land and buildings		17	20
Gross gain on revaluation of land and buildings		22	25
Income tax on gain on revaluation of land and buildings		(5)	(5)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		218	(3)
Other comprehensive income for the year (net of tax)		235	17
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**469**	**443**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent		232	424
Non - controlling interests		2	2
TOTAL PROFIT FOR THE YEAR		**234**	**426**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		467	441
Non - controlling interests		2	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**469**	**443**
Earnings per share attributable to the equity holders of the Company during the year:			
BASIC AND DILUTED EARNINGS PER SHARE (THEBE)	**13**	**93**	**169**

Consolidated Statement of Financial Position

As at

	Note	26 April 2026 P'm	27 April 2025 P'm
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	14	1 362	1 262
Right of use assets	15	291	239
Investment property	16	210	207
Intangible assets	17	106	103
Investment in associates	18	401	39
Loan to associate	18	67	55
Investment in preference shares	19		303
Deferred lease assets	20	3	4
Deferred tax assets	21	37	35
Trade and other receivables	24	5	5
Total non - current assets		2 482	2 252
CURRENT ASSETS			
Inventories	23	1 571	1 487
Trade and other receivables	24	333	404
Short term investments	42	276	76
Current tax assets	10	7	5
Cash and cash equivalents	25	664	528
Total current assets		2 851	2 500
TOTAL ASSETS		**5 333**	**4 752**
EQUITY AND LIABILITIES			
EQUITY			
Stated Capital	27	686	686
Other reserves	28	525	290
Retained earnings		1 959	1 822
Equity attributable to owners of the parent		3 170	2 798
Non-controlling interest	22	29	27
Total equity		3 199	2 825
NON - CURRENT LIABILITIES			
Lease liabilities	15	230	180
Loans and borrowings	29	292	310
Deferred tax liabilities	21	137	131
Total non - current liabilities		659	621
CURRENT LIABILITIES			
Trade and other payables	30	1 176	972
Lease liabilities	15	90	80
Loans and borrowings	29	22	23
Contract liabilities	34	10	12
Current tax liabilities	10	20	34
Bank overdrafts	29	61	67
Accruals	35	96	118
Total current liabilities		1 475	1 306
Total liabilities		2 134	1 927
TOTAL EQUITY AND LIABILITIES		**5 333**	**4 752**

Consolidated Statement of Changes in Equity

For the 52 week period ended 26 April 2026

	Attributable to owners of the parent					
	Stated capital	Other reserves	Retained earnings	Total	Non - controlling interests	Total equity
	P'm	P'm	P'm	P'm	P'm	P'm
At 29 April 2024	686	273	1 561	2 520	25	2 545
Profit for the year			424	424	2	426
Other comprehensive income for the year:						
Gain on revaluation of land and buildings (net of tax)		20		20		20
Currency translation differences		(3)		(3)		(3)
Transactions with owners in their capacity as owners						
Dividends paid - 2025 interim and 2024 final			(163)	(163)		(163)
At 27 April 2025	**686**	**290**	**1 822**	**2 798**	**27**	**2 825**
At 28 April 2025	686	290	1 822	2 798	27	2 825
Profit for the year			232	232	2	234
Other comprehensive income for the year:						
Gain on revaluation of land and buildings (net of tax)		17		17		17
Currency translation differences		218		218		218
Transactions with owners in their capacity as owners						
Dividends paid - 2025 final			(95)	(95)		(95)
At 26 April 2026	**686**	**525**	**1 959**	**3 170**	**29**	**3 199**

Other reserves consist of land and buildings revaluation reserve, currency translation reserve, and other gains on purchase of minority interests as set out in note 28.

Consolidated Statement of Cash Flows

For the 52 week period ended 26 April 2026

	Note	2026 P'm	2025 P'm
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		234	426
Income tax expense	10	97	124
Finance cost	9	53	38
Investment income	7	(57)	(47)
Net exchange differences		6	(6)
Fair value loss / (gain) on investment property	8	20	(1)
Share of (profit) / loss from associates	18	(3)	7
Impairment of property, plant and equipment	14		1
Gain in preference share revaluation	8		(102)
Amortisation of intangible assets	17	12	7
Depreciation on right of use assets	15	96	82
Depreciation of property, plant and equipment	14	137	108
Cash generated by operating activities before working capital changes		595	637
Movements in working capital:			
Trade and other receivables		73	(71)
Inventories		(84)	(208)
Accruals, contract liabilities, trade and other payables		180	59
Cash generated by operations		764	417
Finance costs paid	9	(53)	(37)
Income taxes paid		(119)	(100)
Net cash generated by operating activities		592	280
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	7	55	28
Purchase of property, plant and equipment	14	(164)	(247)
Proceeds from sale of assets held for sale	26		6
Purchase of computer software rights	17	(3)	(3)
Net movement in short term investments	42	(200)	113
Proceeds from sale of property, plant and equipment			5
Investment in preference shares	19		(201)
Net cash flows utilised by investing activities		(312)	(299)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan and borrowings	29	(21)	(22)
Additional loan	29	2	250
Movement in bank overdraft	29	(6)	29
Repayment of lease liabilities	15	(92)	(83)
Cash dividend paid to owners of the parent	13	(95)	(163)
Net cash flows (utilised) / generated in financing activities		(212)	11
Net increase / (decrease) in cash and cash equivalents		68	(8)
Cash and cash equivalents at beginning of year	25	528	534
Effects of exchange rate changes on cash and cash equivalents		68	2
Cash and cash equivalents at end of year		**664**	**528**
Represented by:			
Cash and cash equivalents	25	664	528
		664	**528**

Notes to the financial statements

For the 52 week period ended 26 April 2026

1 GENERAL INFORMATION

Sefalana Holding Company Limited is a Company incorporated in the Republic of Botswana and listed on the Botswana Stock Exchange. The addresses of its registered office and principal places of business are disclosed in the introduction to the annual report. The consolidated financial statements include the financial results and financial position of Sefalana Holding Company Limited and its subsidiaries. The consolidated Group financial statements for the 52 weeks ended 26 April 2026 were authorised for issue by the Board of Directors on 27 July 2026.

The Group's largest segments are those of Fast Moving Consumer Goods (FMCG). In line with common practice across the world, the FMCG businesses have historically followed a Retail Calendar with a financial period of 52 weeks or 364 days. This is in contrast to a calendar year of 365 days. On the basis that this has resulted in a one day difference each year which is caught up every 6 years with a 53rd week, the Group has emphasised its disclosure of this fact in these financial statements.

For all other subsidiaries of the Group that are not in the FMCG trading business, the results are for the calendar year ended 30 April 2026 (prior year calendar year ended 30 April 2025). Where there are material transactions between the two reporting dates, appropriate adjustments are made in the consolidated financial statements.

2 BASIS OF PREPARATION

(i) Compliance with IFRS® Accounting Standards

The Group financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS. The financial statements comply with IFRS Accounting Standards as issued by the IASB.

(ii) Historical cost convention

The consolidated financial statements are prepared under the historical cost convention except for land and buildings, investment property and preference shares which are carried at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 27 April 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

These new standards and amendments have not resulted in any material changes to the Group's accounting policies and have had a minimal impact on the current period, any prior period and are not likely to affect future periods. The details on new standards and interpretations are explained below;

Amendments to IAS 21 – Lack of Exchangeability, effective for annual periods beginning on or after 1 January 2025

The amendment contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendment to the standard has not had a material effect on the financial statements of the Group.

(iv) New standards and interpretations issued not yet adopted

New standards, amendments to standards and interpretations that are applicable to the Group with an effective date after the date of these financial statements, have not been applied in preparing these consolidated financial statements. These include:

Amendment to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures – Classification and Measurement of Financial Instruments, effective for annual periods beginning on or after 1 January 2026

The amendments clarify the requirements and timing for recognition and derecognition of certain financial assets and liabilities. The amendments also introduce new disclosure requirements for certain instruments based on their contractual terms that can change cash flows.

The amendments are not expected to have a material impact on the financial statements of the Group but may result in additional disclosures.

Annual improvements to IFRS Accounting Standards – Volume 11, effective for annual periods beginning on or after 1 January 2026

The annual improvements include changes to several standards, specifically IFRS 1, IFRS7, IFRS9, IFRS10 and IAS7 to clarify wording, elaborate application and improve consistency of terminology with other standards.

The amendments are not expected to have a material impact on the financial statements of the Group.

IFRS 18 – Presentation and Disclosures in Financial Statements, effective for annual periods beginning on or after 1 January 2027

IFRS 18 replaces IAS 1 — Presentation of Financial Statements and introduces substantial changes to the presentation of the primary financial statements, in particular the statement of profit or loss, as well as enhanced requirements for the aggregation and disaggregation of financial information and additional disclosure requirements relating to management-defined performance measures.

The standard is applicable to the Group for the first time for the financial year ending April 2028, with early adoption permitted. The Group is currently assessing the full impact of IFRS 18 on the presentation and disclosure within its annual financial statements, including the classification of income and expenses into the newly defined categories in the statement of profit or loss, as

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For the 52 week period ended 26 April 2026 (continued)

well as the possibility of early adoption for the financial year ending April 2027. This assessment is ongoing and was not yet complete as at the date of approval of these financial statements.

Based on a preliminary analysis, the standard is expected to have a significant impact on the presentation and disclosure in the Group's and Company's annual financial statements, although it will not affect the recognition or measurement of amounts reported

IFRS 19 – Subsidiaries Without Public Accountability, effective for annual periods beginning on or after 1 January 2027

IFRS 19 is a voluntary standard that permits eligible subsidiaries to apply IFRS® Accounting Standards with reduced disclosure requirements.

The standard is not expected to have a material effect on the financial statements of the Group.

IAS 21 The effects of Changes in Foreign Exchange Rates – Translation to a hyperinflationary presentation currency, effective for annual periods beginning on or after 1 January 2027

The amendment to IAS 21 introduces requirements for entities translating their financial statements or those of a foreign operation from a currency of a non-hyperinflationary economy to a presentation currency that is a currency of a hyperinflationary economy.

The amendment is not expected to have a material impact on the financial statements of the Group.

IFRS 10 - Consolidated Financial Statements and IAS 28 (amendments) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective date deferred indefinitely by the IASB

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments is yet to be set by the IASB; however, earlier application of the amendments is permitted. It is not anticipated that the application of the amendments in the future will have a material effect on the financial statements of the Group.

3 MATERIAL ACCOUNTING POLICIES

3.1 Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous Shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the company's equity therein. Those

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

interests of non-controlling Shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required by IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Associates

Associates are all entities over which the Group or its subsidiaries have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's shareholding in associates is as disclosed in note 18.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures where material are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where appropriate, the accounting policies of equity accounted investees have been changed to ensure consistency with the policies adopted by the Group. Where the policies have not been changed, necessary adjustments are made in preparation of the group consolidated financial statements. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3.7.

(iii) Investment in subsidiaries

The Group accounts for its investment in subsidiaries at cost, which includes transaction costs, less provision for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Investments in subsidiaries are assessed for impairment when indicators of impairment are identified. Such impairment indicators include, but are not limited to, for example:

- Sustained deterioration in financial results of operations and / or financial position of the subsidiary;
- Changes in the operating environment of a subsidiary, including regulatory and economic changes, market entry by new competitors, etc.; and
- Inability of a subsidiary to obtain finance required to sustain or expand operations.

Where impairment indicators are identified, the recoverable value of the subsidiary is measured at the lower of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the subsidiary.

Once an impairment loss has been recognised, the Group assesses at each year-end date whether there is an indication that the impairment loss previously recognised no longer exists or has decreased. If this is the case, the recoverable value of the subsidiary is remeasured and the impairment loss reversed or partially reversed as may be the case.

Where the recoverable value of a subsidiary is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

3.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

financial statements are presented in Botswana Pula, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'net foreign exchange gains'.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to Shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.3 Property, plant and equipment

Land and buildings comprise mainly wholesale and retail outlets, offices and residential buildings. Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Buildings capitalised under leases comprise retail outlets which were designed and developed specifically for the Group's use and are leased by the Group under long-term lease agreements. These buildings are accounted for at cost (being the present value of the minimum committed lease payments at inception of the respective lease contracts) less accumulated depreciation and accumulated impairment adjustments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in Shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Properties in the course of construction for production or supply of goods or services, or for administrative purposes, or for purposes not yet determined, are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in terms of the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings:	50 years
Leasehold buildings:	remaining period of lease
Buildings capitalised under leases:	15 years, being initial lease period
Plant, fixtures and equipment:	4 to 20 years
Motor vehicles:	4 to 6 years
Fixtures and equipment:	4 to 10 years
Right of use assets:	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases in the carrying amount arising on revaluation of land and buildings are charged to other comprehensive income and debited against other reserves directly in equity. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date on an appropriate valuation basis, which may include internal valuation models, valuations by independent professional valuers and comparison to recent market transactions and values. Where valuations from these sources indicate a range of reasonable fair values estimates, considered judgement is applied to determine the most reliable estimate of fair value. These valuations form the basis for the carrying amounts in the financial statements.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be reliably determined, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non – standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit and loss for the period in which it arises. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected to be realised from it through disposal or otherwise.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss for the period in which it arises within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is re-classified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within

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equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the statement of comprehensive income.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3.5 Lease rights

Lease rights represent rights covered by contract or similar arrangement to occupy, lease out or otherwise utilise property. Separately acquired lease rights are shown at historical cost. Lease rights acquired in a business combination are recognised at fair value at the acquisition date.

Where land rights are acquired directly through agreement with Government, the Group records these at nominal amounts at the inception of the underlying lease / rental agreements or when such agreements are renewed.

Lease rights have a finite useful life based on the underlying contractual agreement assigning such rights to the consignee and are recognised in the consolidated statement of financial position as a right-of-use asset and lease liability, initially measured at the present value of future lease payments.

3.6 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units or Groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Brands, trademarks and customer contracts

Separately acquired brands or trademarks are recognised at cost. Brands, trademarks, and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation of brands, trademarks and customer contracts is calculated using the straight-line method to allocate their cost to their respective residual values over their useful lives as follows:

✓	Brands: 25 years
✓	Customer contracts: 10 years

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives (three to five years) on a straight-line basis.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value

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less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Leasing

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Cash flows associated with Finance costs incurred in respect of the lease liability are deemed operating cash flows and presented as such on the face of the statement of cash flows.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option and where these changes are reasonably certain, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

Some of the leases of buildings contain extension and termination options exercisable by the Group before the end of the non-cancellable contract period. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. For some of the property leases, the extension and termination options held are exercisable only by the Group and not by the respective lessor. At lease commencement date, the Group assesses whether it is reasonably certain to exercise the extension options.

The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

3.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income for the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.10 Employee benefits

Pension obligations

The Sefalana Group Staff Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund's liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members' pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time. The amalgamated Fund had fully utilised the Employer Reserve available to the participating employers by 30 April 2022.

3.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent it relates to items recognised directly in equity. In this case, tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising

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between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income taxes arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised for loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax of 10% is payable on the gross value of dividends on behalf of the shareholder, in accordance with the Botswana Income Tax Act.

3.12 Inventories

Inventories comprising fast moving consumer goods for resale are valued at the lower of cost and net realisable value. Cost on these goods is determined on the weighted average basis and is the net of the invoice price, insurance, freight, customs duties, trade discounts, rebates and settlement discounts. Rebates and other incentives received from suppliers are accounted for in the period to which these relate.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to the net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. Any reversal of a previous write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in cost of sales in the period in which the reversal occurs.

Inventories comprising vehicles and equipment for resale are also stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on the first-in first-out basis.

Work in progress arising from rendering of services of vehicles and equipment is valued with costs of materials used and excludes labour or overhead components. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

3.13 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.13.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI

Financial assets that meet the following conditions are measured at Fair Value Through other comprehensive income (FVTOCI):

- the financial assets are held under a business model in which the entity trades as well as holds to maturity

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For the 52 week period ended 26 April 2026 (continued)

- when the entity makes or has already made an irrevocable election to classify them as such.

The Group did hold debt instruments that satisfy the requirements for subsequent measurement at fair value through other comprehensive income (FVTOCI).

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Refer to note 8 for 'other income and gains / (losses)'.

Dividends and interest earned on financial assets measured at FVTPL are recognised in profit or loss as part of investment income (note 7) from continuing operations when the Group's right to receive payment is established.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less reduction for expected credit losses. A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is assessed at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. Where applicable, these lifetime expected credit losses are estimated using a provision matrix. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the statement of comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion be considered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information including macroeconomic factors that have a direct co-relation to counterparty's ability to pay. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Impairment assessment of trade receivables is described in note 24.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group

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For the 52 week period ended 26 April 2026 (continued)

recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Foreign exchange gains and losses

Translation differences relating to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income. Translation differences on non-monetary securities are recognised in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

For purposes of the statement of cash flows, bank overdrafts that form an integral part of the Group's cash management, where balances frequently fluctuate between positive and overdrawn, are included in cash and cash equivalents. Interest paid in respect of overdrafts of this nature is consequently deemed operating cash flows and reflected as such on the face of the statement of cash flows. Bank overdrafts that do not meet this criterion are presented as borrowings within current liabilities on the statement of financial position and associated interest within financing activities in the statement of cash flows.

Finance Income

Finance income, where applicable is recognised over time in the statement of comprehensive income, using the accrued interest method, by reference to the principal amounts outstanding and at the interest rate applicable. Finance income is derived primarily from bank deposits held and from loans and receivables.

3.13.2 Financial liabilities and equity

Classification

The Group only has financial liabilities that are classified as 'financial liabilities at amortised cost'

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue from the principal activities of retailing and associated activities. For the majority of revenue streams, there is a low level of judgement applied in determining the consideration or the timing of transfer of control.

The Group recognises revenue when the Group satisfies its performance obligations in terms of the related customer contract. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Sale of goods – merchandise

Merchandise sales are recognised when control of the goods has transferred, being at the point the customer purchases/consumes the goods. Payment of the transaction price is due immediately at the point the customers purchase/consume the goods.

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For the 52 week period ended 26 April 2026 (continued)

Payment is generally received via cash, debit card, credit card or cheque, or through charge to a line of credit granted to the customer.

Under the Group's standard contract terms, customers have a right of return within seven days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the cost of the product from the supplier, when customers exercise their right of return. Consequently, the Group recognises a right to returned goods as assets and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly. No material right of return assets and corresponding refund liabilities were held by the Group at the end of the current financial year.

A loyalty program is offered to customers which enables customers to purchase goods in future at a discounted price through the use of loyalty cards. The card holder cannot redeem points without future purchases. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer.

The loyalty points provide a material right to customers that they would not receive without entering into a contract with the Group. Accordingly, the promise to provide points to the customer is identified as separate performance obligation. The transaction price is allocated to the product and the points using a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer, as evidenced by the Group's historical experience. The stand-alone selling price of the product sold to the customer is estimated on the basis of its retail price.

Sales of goods – others

Revenue from sale of other goods is recognised when control of the goods has transferred, being at the point the customer purchases / consumes the goods. Payment of the transaction price is due immediately at the point the customers purchases / consumes the goods.

Sales of services

Revenue from the provision of services is recognised when the Group satisfies its performance obligations, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Payment for sales of services is not due until the services are complete.

Included in the transaction price for the sale of vehicles is an after-sales service. This service relates to maintenance work that may be required to be carried out on the vehicles for a period that varies with customer requirements and the service interval. This period can then be extended if the customer requires additional years of maintenance services. The renewal of services after the agreed period will be for the price at which these are sold by the Group to all of its customers as at the date of renewal regardless of the existence of a renewal option. Consequently, the option to extend the renewal period does not provide customers with any advantage when they enter into the initial contract and therefore no revenue has been deferred relating to this renewal option.

The maintenance service is considered to be a distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. A portion of the transaction price is therefore allocated to the maintenance services based on the stand-alone selling price of those services. Discounts are not considered as they are only given in rare circumstances and are never material.

3.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- Costs that relate directly to the specific contract;
- Costs that are attributable to contract activity in general and can be allocated to the contract; and
- Such other costs that are specifically chargeable to the customer under the terms of the contract.

3.16 Dividend distribution

Dividend distribution to the Group's Shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's Shareholders.

3.17 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, that make strategic decisions. The costs of shared services are accounted for in a separate ("unallocated") segment. Transactions between segments are generally accounted for in accordance with Group policies as if the segment were a stand-alone business with intra-segment revenue being eliminated through a separate adjustment to revenue.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

All segment revenue and expenses are directly attributable to the segments. Segment assets include all operating assets used by a segment. Segment liabilities include all operating liabilities. These assets and liabilities are all directly attributable to the segments. All inter-segment transactions are on an arms-length basis and are eliminated on consolidation.

The Group's areas of operations were limited to the Republic of Botswana, the Republic of Namibia, the Kingdom of Lesotho, the Republic of Zambia, Mauritius and the Commonwealth of Australia during the reporting periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements and applying the Group's accounting policies, the entity has made certain key judgements and estimates in order to present balances and amounts in these financial statements. The following is a summary of those key judgements and key sources of estimation uncertainty at the reporting date, which has the most material effect on the carrying amounts of assets and liabilities included in the financial statements:

4.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most material effect on the amounts recognised in financial statements.

4.1.1 Consolidation of KSI Holdings Proprietary Limited

The Group has a 50% equity ownership in KSI Holdings Proprietary Limited ("KSI"), and on the basis that all the shareholders of KSI have given unilateral control to Sefalana Holding Group Limited, through a shareholder agreement, to make all necessary strategic decisions pertaining to the KSI business, including decisions relating to the management of the business and its relevant activities, control is deemed to be held by Sefalana in accordance with IFRS 10 ("Consolidated Financial Statements"). KSI is therefore classified as a subsidiary Group and has been consolidated in the Group's financial statements accordingly.

4.1.2 Impairment indicators - Investment in Associate (Seasons Group)

The Group has assessed the financial performance of the Seasons Group associate against the established business plans, and has determined that - given that performance aligns with expectations - the losses incurred by this associate are not an indicator of impairment.

4.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Fair value of land and buildings and investment properties

The Group periodically commissions an external expert to value its property portfolio. The latest full scope evaluation by an independent valuer was carried out as at 28 April 2024. As at 26 April 2026, an update was performed in the form of a desktop valuation. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties. Resulting fair value gains and losses have been recognised in the statement of comprehensive income. Market values for developed property have been determined based on rental yields. A capitalisation factor has been applied to each property depending on its location and condition. Capitalisation rates applied in the recent valuation range from 8% to 18% (2024: 8% to 18%)

A 10 basis point increase in the capitalisation rate would result in a P0.53 million (2024: P2.7 million) reduction in overall portfolio value. A 10 basis point decrease in capitalisation rate would result in a P0.53 million (2024: P2.7 million) increase in overall portfolio value. Undeveloped land has been valued based on recent market data on similar properties transacted on an arm's length basis. Refer to notes 14 and 16 respectively for fair value disclosure.

4.2.2 Impairment of goodwill

The Group tests annually whether goodwill (as disclosed in note 17) has suffered any impairment, in accordance with its accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined by the Directors based on forecast pre-tax free cash flows of each cash-generating unit. These calculations require the use of estimates, the most significant of which are assumptions of a growth rate and discount rates (refer to note 17).When testing Goodwill for impairment, the higher of "fair value less costs of disposal" and "value in use" is used to determine The impairment calculations performed by the Group at the current year-end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units.

4.2.3 Inventory provisions

Unit cost adjustments

The Group adjusts recorded unit costs for rebate income and settlement discount. Unit cost is recorded gross of rebate income and the adjustment is thus required to bring the unit cost to a post-rebate level. The Group also adjusts inventory by foreign exchange difference to account for the variance between standard exchange rates utilised in the unit cost calculation and actual exchange rates on transaction date.

Provision for shrinkage

Shrinkage is estimated as a percent of sales for the period from the last inventory date to the end of the fiscal

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period. Physical inventories are taken at least quarterly and inventory records are adjusted accordingly. The shrinkage rate from the most recent physical inventory, in combination with current events and historical experience, is used as the standard for the shrinkage accrual rate for the next inventory cycle.

Inventory net realisable value allowances

The Group evaluates its inventory to ensure that it is carried at the lower of cost or net realisable value. Allowances are made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes.

Allowance for slow moving and obsolete inventories

In making an allowance for slow moving and obsolete items, the company determines the ageing of the inventory held at the year-end date based on historical sales quantities, its estimate of the likely sales discounts (below original cost), which the company may have to offer in order to sell slow-moving items, and the extent of losses which the company may incur when writing off obsolete items.

The determination of the allowance for slow-moving and obsolete retail inventories involves a fair amount of judgement and estimation. Management has concluded that the stock included in more than 365 days is at a higher risk of becoming obsolete. The provision percentage applied in determining the stock obsolescence is sensitive to future sales and a movement of 1% could result in an increase/decrease of P14 million in either direction.

4.2.4 Fair Value of Investment in Preference Shares

The Group has made judgements and assumptions concerning the valuation of preference shares. These are detailed in note 19 of the financial statements.

4.2.5 Determination of the lease term and discount rate

The measurement of the right-of-use assets and lease liabilities is inherently judgmental and relies on management's best estimate based on key inputs, namely: the determination of the lease term and the discount rate (interest rate implicit in the lease or incremental borrowing rate).

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant for the Group's leases of buildings:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The discount rate is determined as the interest rate implicit in the lease, or if the rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group use its incremental borrowing rate as the discount rate.

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For the 52 week period ended 26 April 2026 (continued)

		2026	2025
		P'm	P'm
5	**REVENUE**		
	An analysis of the Group's revenue is as follows:		
	Trading	11 794	10 652
	Trading - Others - Sale of vehicles and parts	78	113
	Trading - Others - Service income	13	13
	Manufacturing	220	377
	Property rental income	22	19
		12 127	11 174

Included in the above is P2 million (2025: P20 million) relating to loyalty points redeemed by customers.

Property rental income comprises:		
Contractual rental income	23	20
Straight - line lease rental adjustment	(1)	(1)
	22	**19**

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For the 52 week period ended 26 April 2026 (continued)

6 SEGMENTAL ANALYSIS

The Company's Board of Directors acts as the Chief Operating Decision Maker of the Group and it assesses the performance of the operating units based on the measure of earnings before interest, tax and amortisation (EBITA) and also on profit before tax (PBT).

These measurement bases assess performance on the bases of recognition and measurement which are consistent with the accounting policies of the Group. Performance is monitored based on business and geographical segments.

The Group's operating businesses are organised and managed separately according to the nature of products and services offered by each segment representing a strategic business unit. All transactions between reported segments are at arm's length. The accounting policies of the reportable segments are the same as the Group's accounting policies described.

The Group is organised into six principal business areas and these make up four reportable operating segments as follows:

Trading - consumer goods

Wholesale and retail distribution of fast moving consumer goods (FMCG). The segments for the Botswana, Namibia and Lesotho businesses are presented separately.

Trading - others

Sale of automotive products, equipment for construction and agricultural related sectors including after-sale services.

Manufacturing

Milling, production and sale of sorghum, soya and maize based extruded food products and the manufacture of Ultra High Temperature (UHT) milk.

Property

Holding of commercial and industrial properties for own use as well as for generating income from lease arrangements with external tenants, along with capital appreciation in value.

With the exception of Trading others and Manufacturing segments, revenue is derived from a very broad and diversified customer base, with no dependence on any significant customer.

Revenue from Trading - others and Manufacturing operating segments is derived largely from various Government departments following the award of tenders.

The Group's most significant operations are in Botswana, Namibia and Lesotho where the Group engages in the wholesale and retail distribution of fast moving consumer goods. The Group also operates a property company in Zambia with operating leases in place with third party tenants. The operational results and financial position of the Lesotho, Namibian and Zambian businesses are reported as separate geographical segments. There is no single external customer whose revenue transactions amount to 10% or more of the Group's revenue.

Investment in South African associate

In July 2024, the Group entered into a one year Preference Share arrangement with UIH Investment Holdings (Proprietary) Limited (UIH) in South Africa. Under this arrangement, a subscription price of R275 million was paid, with an annual interest return of 15% and an effective date of 1 November 2024.

On 1 November 2025, the Group successfully exercised its option to convert this Preference Share investment into a 30% equity stake in UIH. The returns on this investment is shown in a separate segment (South Africa). UIH is a South African group in the FMCG sector, which operates a number of independent chains across the country. Its largest subsidiary company is Unitrade Management Services (Proprietary) Limited ("UMS / a "Buying Group") which services over 350 members in South Africa, Botswana and Lesotho.

Investment in Australian associate

In May 2020, the Group invested in a chain of supermarkets in Queensland Australia. This investment is an associate investment in which the Group now holds a 30% shareholding. The returns on this investment is shown in a separate segment (Australia).

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For the 52 week period ended 26 April 2026 (continued)

6 SEGMENTAL ANALYSIS (continued)

Segment results

2026	Botswana			
	Trading consumer goods	Trading others	Manufacturing	Property
	P'm	P'm	P'm	P'm
Revenue	6 107	108	521	78
Cost of sales	(5 862)	(88)	(416)	
Gross profit	245	20	105	78
Other income and gains / (losses)	30	7	3	6
Administrative expenses	(138)	(22)	(87)	(18)
Earnings before interest, tax and amortisation (EBITA)	**137**	**5**	**21**	**66**
Amortisation	(1)			
Investment income	7		1	6
Finance costs	(31)	(1)	(18)	(6)
Profit before share of results from associates	112	4	4	66
Share of results from associates				
Profit before tax	**112**	**4**	**4**	**66**
Total segment results above include:				
Revenue from external customers	6 106	93	209	17
Revenue from internal customers	1	15	312	61
Total revenue	6 107	108	521	78
Depreciation and amortisation	114	3	13	19

Segment assets and liabilities

2026	Botswana			
	Trading consumer goods	Trading others	Manufacturing	Property
	P'm	P'm	P'm	P'm
Property, plant and equipment	371	23	116	1
Right of use assets	183	1	10	
Investment property				687
Intangible assets	5			
Other non-current assets	19	6	1	3
Non-current assets	578	30	127	691
Current assets	1 230	53	345	35
Liabilities	(963)	(13)	(51)	(166)
Inter-group balances	(169)		(131)	33
Capital expenditure during the year	114	1	19	

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Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in associate	Investment in associate	Inter- segment or unallocated	Consolidated
P'm	P'm	P'm	P'm	P'm	P'm	P'm
5	1 250	4 418			(360)	12 127
	(1 181)	(4 214)			335	(11 426)
5	69	204			(25)	701
(21)		23			(5)	43
(2)	(37)	(75)			(29)	(408)
(18)	**32**	**152**			**(59)**	**336**
	(2)	(6)			(3)	(12)
	1	11	17	3	11	57
	(7)	(28)			38	(53)
(18)	24	129	17	3	(13)	328
			8	(5)		3
(18)	**24**	**129**	**25**	**(2)**	**(13)**	**331**
5	1 250	4 418			29	12 127
					(389)	
5	1 250	4 418			(360)	12 127
	13	79			4	245

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in associate	Investment in associate	Inter- segment or unallocated	Consolidated
P'm	P'm	P'm	P'm	P'm	P'm	P'm
	31	317			503	1 362
	23	84			(10)	291
46					(523)	210
	3	79			19	106
	8		362	106	8	513
46	65	480	362	106	(3)	2 482
3	265	815			105	2 851
(1)	(108)	(737)			(95)	(2 134)
	(77)	(150)			494	
	21	20			(8)	167

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

6 SEGMENTAL ANALYSIS (continued)

Segment results

2025	Botswana			
	Trading consumer goods	Trading others	Manufacturing	Property
	P'm	P'm	P'm	P'm
Revenue	5 839	126	600	66
Cost of sales	(5 521)	(105)	(442)	
Gross profit	318	21	158	66
Other income and gains / (losses)	26	7	2	14
Administrative expenses	(134)	(22)	(79)	(16)
Earnings before interest, tax and amortisation (EBITA)	**210**	**6**	**81**	**64**
Amortisation	(1)			
Investment income	6	1	2	1
Finance costs	(15)	(1)	(7)	(8)
Profit before share of results from associates	200	6	76	57
Share of results from associates				
Profit before tax	**200**	**6**	**76**	**57**
Total segment results above include:				
Revenue from external customers	5 837	120	379	13
Revenue from internal customers	2	6	220	52
Total revenue	5 839	126	599	65
Depreciation and amortisation	95	2	9	16

Segment assets and liabilities

2025	Botswana			
	Trading consumer goods	Trading others	Manufacturing	Property
	P'm	P'm	P'm	P'm
Property, plant and equipment	310	23		2
Right of use assets	113	4	14	
Investment property				693
Intangible assets	4			
Other non-current assets	22	6		3
Non-current assets	449	33	14	698
Current assets	1141	66	432	15
Liabilities	(820)	(19)	(85)	(187)
Inter-group balances	(150)	(11)	(180)	27
Capital expenditure during the year	125		31	20

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter- segment or unallocated	Consolidated
P'm	P'm	P'm	P'm	P'm	P'm	P'm
5	1 005	3 814			(281)	11 174
	(944)	(3 619)			250	(10 381)
5	61	195			(31)	793
		18	102		(13)	156
(1)	(26)	(70)			(46)	(394)
4	**35**	**143**	**102**		**(90)**	**555**
	(2)	(4)				(7)
	1	10	15	3	8	47
	(6)	(26)			25	(38)
4	28	123	117	3	(57)	557
				(7)		(7)
4	**28**	**123**	**117**	**(4)**	**(57)**	**550**
5	1 005	3 814			1	11 174
					(280)	
5	1 005	3 814			(279)	11 174
3	9	66			(3)	197

Zambia	Lesotho	Namibia	South Africa	Australia	Group	
Property	Trading consumer goods	Trading consumer goods	Investment in preference shares	Investment in associate	Inter- segment or unallocated	Consolidated
P'm	P'm	P'm	P'm	P'm	P'm	P'm
	12	288			627	1 262
	25	97			(14)	239
43					(529)	207
	4	71			24	103
1	5		303	94	7	441
44	46	456	303	94	115	2 252
4	231	633	15		(37)	2 500
(1)	(93)	(633)			(89)	(1 927)
	(96)	(129)			539	
	8	66				250

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

		Note	2026 P'm	2025 P'm
7	**INVESTMENT INCOME**			
	Interest income from:			
	Bank deposits		37	28
	Other loans and receivables		3	4
	Dividends from preference share investment	41	17	15
			57	**47**
8	**OTHER INCOME AND GAINS / (LOSSES)**			
	Fair value gain on investment in preference shares	19		102
	Fair value (loss) / gain on investment property	16	(20)	1
	Net effect of straight line - rental adjustment			1
	Net foreign exchange gains		14	12
	Recovery from impaired asset			1
	Insurance recoveries		8	6
	Promotional activities		32	24
	Other		9	9
			43	**156**
9	**FINANCE COSTS**			
	Interest paid on:			
	Bank overdrafts and loans		30	20
	Lease obligations	15	23	18
			53	**38**

The weighted average cost of borrowing for the Group is 7.6 % (2025: 7.4 %).

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

10 INCOME TAX EXPENSE

	2026 P'm	2025 P'm
Current tax		
Basic Company Tax	88	116
Withholding tax on dividend and interest	16	18
Adjustment in respect of prior years	(1)	(2)
Total current tax	**103**	**132**
Deferred tax		
Origination and reversal of temporary differences (note 21).	(6)	(8)
Total deferred tax	**(6)**	**(8)**
Income tax expense	**97**	**124**

At the reporting date the Group's unutilised tax losses and its ageing are as follows:

Period	2026 P'm	2025 P'm
2025-26	3	
2024-25	23	23
2023-24	10	10
2022-23	2	3
2021-22	1	6
2020-21	2	8
Prior period losses	7	7
	48	**57**
Loss included above which can be carried forward indefinitely	12	11
Losses included above which can be carried forward to a maximum of 5 years	36	46

No deferred tax has been recognised in respect of above losses.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

10 INCOME TAX EXPENSE (continued)

The Group has used the single corporate tax rate of 22% for calculating the current and deferred income taxes at the current and previous financial year end for the non - manufacturing entities in Botswana. For manufacturing entities, the current and deferred taxation rate applied is 15%. The Namibian corporate tax rate of 31% has been applied for the operations in Namibia. The tax rate in Zambia is a fixed final tax of 12.5% on total rental income and the applicable tax rate of 25% and 15% has been applied to operations in Lesotho and Mauritius respectively.

The charge for the year can be reconciled to the accounting profit as follows:

	2026 P'm	2025 P'm
Profit before tax	**331**	**550**
Tax calculated at current tax rates - 22%	73	121
Tax effect of share of results of associates	(1)	1
Effect of differential tax rates and income not subject to tax	8	7
Expenses not deductible for tax purposes (*)	4	2
Adjustment in respect of prior years	(1)	(2)
Final tax on dividend and interest income	15	17
Tax effect of income not subject to tax (**)	(1)	(22)
Income tax expense per statement of comprehensive income	97	124

(*) Expenses not deductible for tax purposes include the tax effect of fair value losses and donations.

(**) Income not subject to tax includes fair value gains on investment properties and preference shares.

Current tax assets and liabilities

Current tax assets:		
Income tax refund receivable	7	5
Current tax liabilities:		
Income tax payable	20	34
Effective tax rate	29.3%	22.6%

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

11 PROFIT BEFORE TAX

2026

Profit for the year has been arrived at after charging / (crediting):

	Notes	Cost of sales	Other income and gains	Administrative expense	Amortisation
		P'm	P'm	P'm	P'm
Auditors' remuneration					
Audit fees				5	
Amortisation of intangible assets	17				12
Depreciation of property, plant and equipment	14	100		37	
Depreciation of right of use asset	15	82		14	
Directors and employee benefits		471		188	
Fair value loss on revaluation of investment property	8 & 16		20		
Inventories expensed		10 586			
Net foreign exchange gain			(14)		
Other		187	(49)	164	
Total		**11 426**	**(43)**	**408**	**12**

2025

Profit for the year has been arrived at after charging / (crediting):

	Notes	Cost of sales	Other income and gains	Administrative expense	Amortisation
		P'm	P'm	P'm	P'm
Auditors' remuneration					
Audit fees				5	
Amortisation of intangible assets	17				7
Depreciation of property, plant and equipment	14	72		36	
Depreciation of right of use ssset	15	69		13	
Directors and employee benefits		398		202	
Expected credit losses on receivables	24			1	
Fair value gain on investment in preference shares	8 & 19		(102)		
Fair value gain on revaluation of investment property	8 & 16		(1)	1	
Inventories expensed		9 532			
Net foreign exchange gain			(12)		
Other		310	(41)	136	
Total		**10 381**	**(156)**	**394**	**7**

12 DIRECTORS EMOLUMENTS

	2026	2025
	P'm	P'm
Emoluments of the Directors of Sefalana Holding Company Limited from the Company and its subsidiaries:		
Fees for services as Non - Executive Directors	3	3
Managerial services	41	45
Number of Directors at reporting date		
Non-Executive Directors	5	6
Executive Directors	3	4

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

		2026	2025
13	**EARNINGS AND COMPREHENSIVE INCOME PER SHARE**		
	Profit attributable to owners of the parent (P'm)	**232**	**424**
	Total comprehensive income attributable to owners of the parent (P'm)	**467**	**441**
	Shares in issue at end of year (number)	**250 726 709**	**250 726 709**

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue by any share options in force assuming conversion of all dilutive potential ordinary shares. No share options are available in place at the year end or previous year end.

Total comprehensive income per share is calculated by dividing the total comprehensive income attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	2026	2025
Shares in issue at beginning and end of year (number)	**250 726 709**	**250 726 709**
Weighted average shares in issue during the year (number)	**250 726 709**	**250 726 709**
Basic and diluted earnings per share (thebe)	**93**	**169**
Total comprehensive income per share (thebe)	**186**	**176**

DIVIDENDS

	2026	2025
	P'm	**P'm**
Declared and paid during the year:		
Interim 2026: NIL per share and final 2025: 38 thebe per share; (interim 2025: 12 thebe per share and final 2024: 53 thebe per share)	95	163
Final 2026: 20 thebe per share (Final 2025: 38 thebe per share)	50	95

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Plant, fixtures and equipment	Motor vehicles	Total
	P'm	P'm	P'm	P'm	P'm
Cost or valuation					
At 29 April 2024	670	25	769	89	1553
Additions	9	22	207	9	247
Gain on revaluation	25				25
Reversal of depreciation on revaluation	(16)				(16)
Currency translation	1		2		3
Impairment			(1)		(1)
Transfer from investment property (note 16)	21				21
Disposals			(4)	(2)	(6)
At 27 April 2025	**710**	**47**	**973**	**96**	**1826**
At 28 April 2025	710	47	973	96	1826
Additions			150	14	164
Regrouping	(8)	8		(1)	(1)
Gain on revaluation	22				22
Reversal of depreciation on revaluation	(20)				(20)
Currency translation	21		52	3	76
Disposals			(3)	(1)	(4)
At 26 April 2026	**725**	**55**	**1172**	**111**	**2063**
Depreciation and impairment					
At 29 April 2024		15	406	52	473
Depreciation charge for the year	16	1	83	8	108
Impairment loss			(1)		(1)
Elimination of depreciation previously charged	(16)				(16)
At 27 April 2025		**16**	**488**	**60**	**564**
At 28 April 2025		16	488	60	564
Depreciation charge for the year	20	2	105	10	137
Disposals			(2)	(1)	(3)
Currency translation			21	2	23
Elimination of depreciation previously charged	(20)				(20)
At 26 April 2026		**18**	**612**	**71**	**701**
Carrying amount					
At 26 April 2026	**725**	**37**	**560**	**40**	**1362**
At 27 April 2025	710	31	485	36	1262

Transfer to investment property arose due to certain previously self-occupied properties becoming vacant during the prior period.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value of land and buildings

The following table analyses the non - financial assets carried at fair value, by revaluation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

	Fair value measurements at 26 April 2026 arising		
	Level 1	Level 2	Level 3
	P'm	P'm	P'm
Recurring fair value measurements			
Office buildings - Botswana			39
Retail outlets - Botswana			460
Manufacturing sites - Botswana			90
Retail outlets and employee houses - Namibia			124
Retail outlet - Lesotho			12
			725

There were no transfers between levels during the year.

	Fair value measurements at 27 April 2025 arising		
	Level 1	Level 2	Level 3
	P'm	P'm	P'm
Recurring fair value measurements			
Office buildings - Botswana			39
Retail outlets - Botswana			466
Manufacturing sites - Botswana			90
Retail outlets and employee houses - Namibia			105
Retail outlet - Lesotho			10
			710

There were no transfers between levels during the year.

Valuation process

An independent valuation of the Group's land and buildings was performed by a professional third party valuer in April 2024. The valuer has recent experience in the location and categories of the said properties. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on arm's length basis. These valuations were performed using the Income Return Method (discounted cash flow method) which is based on individual property capitalisation rates.

In April 2026 and April 2025, an update was performed on the above valuations in the form of a desktop valuation. This assessment was carried out by the same independent valuer and on the same basis as in April 2024. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value measurements using significant un - observable inputs (Level 3)

	2026 P'm	2025 P'm
Fair value at start of year	710	670
Additions		9
Reclassification / transfers / currency translation	13	22
Gain on revaluation recognised in other comprehensive income	22	25
Reversal of depreciation on revaluation	(20)	(16)
Fair value at end of year	725	710

2026

Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 26 April 2026 P'm	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Office buildings	39	Income capitalisation	P53 per sqm and capitalisation factor of 9%.	The higher the price per square metre, the higher the value of the property
Retail outlets	596	Income capitalisation	P8 per sqm to P103 per sqm (weighted average of P60 per sqm) and capitalisation factor range from 9% to 14% with a weighted average of 13%	The higher the price per square metre, the higher the value of the property
Manufacturing sites	90	Income capitalisation	P27 per sqm to P63 per sqm (weighted average of P51 per sqm) and capitalisation factor range from 9% to 14% with a weighted average of 12%	The higher the price per square metre, the higher the value of the property
Total	725			

2025

Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 27 April 2025 P'm	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Office buildings	39	Income capitalisation	P53 per sqm and capitalisation factor of 9%.	The higher the price per square metre, the higher the value of the property
Retail outlets	581	Income capitalisation	P10 per sqm to P103 per sqm (weighted average of P60 per sqm) and capitalisation factor range from 9% to 14% with a weighted average of 12%	The higher the price per square metre, the higher the value of the property
Manufacturing sites	90	Income capitalisation	P27 per sqm to P63 per sqm (weighted average of P51 per sqm) and capitalisation factor range from 8% to 14% with a weighted average of 12%	The higher the price per square metre, the higher the value of the property
Total	710			

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

14 PROPERTY, PLANT AND EQUIPMENT (continued)

A 10 basis point increase / decrease in capitalisation rate on each property would decrease / increase the overall valuation by P0.4 million (2025: P0.4 million).

The rental assumptions used in the valuation of the properties is based on rental rates, which have limited variability. On this basis no sensitivity analysis has been presented in respect of any change in rental values.

Revaluation surpluses net of deferred tax relating to property, plant and equipment is credited to other reserves in Shareholder's equity and are included in the Statement of Comprehensive Income.

Depreciation expenses of P100 million (2025: P72 million) and P37 million (2025: P36 million) are charged to "cost of sales" and "administrative expenses" respectively in the Statement of Comprehensive Income. Useful lives of different class of assets disclosed in accounting policy note 3.3.

If land and buildings were stated on the historical cost basis the amounts would be as follows:

	2026	2025
	P'm	P'm
Cost	311	311
Accumulated depreciation	(72)	(64)
Net carrying amount	**239**	**247**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

15 RIGHT OF USE ASSETS AND LEASE LIABILITIES

	P'm
Right of use asset	
At 29 April 2024	174
Additions during the year	145
Depreciation	(82)
Currency translation	2
At 27 April 2025	**239**
At 28 April 2025	239
Additions during the year	131
Depreciation	(96)
Currency translation	17
At 26 April 2026	**291**
Lease liability	
At 29 April 2024	198
Additions during the year	145
Payments during the year	(101)
Lease interest (note 9)	18
At 27 April 2025	**260**
At 28 April 2025	260
Additions during the year	131
Payments during the year	(115)
Lease interest (note 9)	23
Currency translation and other movements	21
At 26 April 2026	**320**

Depreciation and interest charges incurred during the year in the statement of profit or loss and other comprehensive income are presented above.

The Group has property lease agreements of typically 5 years and sometimes this includes option periods. Where there is a highly probable likelihood of renewal, relevant cash flows have been considered. A discount rate ranging from 5.5% to 9.5% was applied in arriving at the Right of use asset and related liabilities. No restrictive covenants are imposed by the leases in place and there are no variable components.

The maturity of the lease liabilities are set out in the note below. The Group does not face a significant liquidity risk with regards to its lease liabilities.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

15 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liability - under IFRS 16

Maturity analysis of lease liabilities

	2026		2025	
	Future minimum lease payments	Present value of capital payments	Future minimum lease payments	Present value of capital payments
Finance lease liabilities are payable as follows:	P'm	P'm	P'm	P'm
Within one year	111	90	93	80
Between two and five years	231	199	193	160
Beyond five years	38	31	22	20
	380	320	308	260
Unearned finance charges	(60)		(48)	
	320	320	260	260

	2026	2025
	P'm	P'm
Long term portion	230	180
Current portion	90	80
	320	260

The cash payments for the principal portion of the lease liability have been recognised under financing activities in the statement of cash flows while cash payments for interest on lease liability and short term leases are classified as operating activities within the statement of cash flows.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

		2026	2025
		P'm	P'm
16	**INVESTMENT PROPERTY**		
	Freehold and leasehold land and buildings at fair value	213	211
	Straight - line lease rental adjustment	(3)	(4)
	Balance at end of year	**210**	**207**
	Reconciliation of fair value:		
	Fair value at start of year	207	228
	Transfer to property, plant and equipment (note 14)		(21)
	Currency translation	23	(2)
	(Loss) / gain on revaluation of properties (note 8)	(20)	1
	Straight - line lease rental adjustment		1
	Fair value at end of year	**210**	**207**

Land and buildings are encumbered as details per note 29.

Fair value of land and buildings

The following table analyses the investment property carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

	Fair value measurements at 26 April 2026		
	Level 1	Level 2	Level 3
	P'm	P'm	P'm
Recurring fair value measurements			
Office buildings - Botswana			106
Office buildings - Zambia			46
Retail sale outlets - Botswana			17
Manufacturing site - Botswana			41
			210

There were no transfers between levels during the year.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

16 INVESTMENT PROPERTY (continued)

	Fair value measurements at 27 April 2025		
	Level 1	Level 2	Level 3
	P'm	P'm	P'm
Recurring fair value measurements			
Office buildings - Botswana			106
Office buildings - Zambia			43
Retail sale outlets - Botswana			17
Manufacturing site - Botswana			41
			207

There were no transfers between levels during the year.

Fair value measurements using significant un - observable inputs (level 3)

2026

	Botswana properties	Zambia property	Total
	P'm	P'm	P'm
Fair value at start of year	164	43	207
Currency translation		23	23
Loss on revaluation of properties		(20)	(20)
Fair value at end of year	**164**	**46**	**210**

Fair value measurements using significant un - observable inputs (level 3)

2025

	Botswana properties	Zambia property	Total
	P'm	P'm	P'm
Fair value at start of year	183	46	229
Transfer to property, plant and equipment (note 14)	(21)		(21)
Currency translation		(2)	(2)
Gain / (loss) on revaluation of properties	1	(1)	
Straight - line lease rental adjustment and others	1		1
Fair value at end of year	**164**	**43**	**207**

Valuation process

An independent valuation of the Group's land and buildings was performed by a professional third party valuer in April 2024. The valuer has recent experience in the location and categories of the said properties. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on arm's length basis. These valuations were performed using the Income Return Method (discounted cash flow method) which is based on individual property capitalisation rates.

In April 2026 and April 2025, an update was performed on the above valuations in the form of a desktop valuation. This assessment was carried out by the same independent valuer and on the same basis as in April 2024. This updated valuation was used to support the Directors' valuation of the portfolio of Group properties.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

16 INVESTMENT PROPERTY (continued)

Information about fair value measurements using significant unobservable inputs (level 3)

2026

Description	Fair value at 26 April 2026 P'm	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Investment property (Botswana)	165	Income capitalisation method	P7 per sqm to P94 per sqm (weighted average of P52 per sqm) and capitalisation factor range from 9% to 18% with a weighted average of 13%	The higher the price per square metre, the higher the value of the property
Investment property (Zambia)	46	Income capitalisation method	Market price per square metre	The higher the price per square metre of a comparable property, the higher the value of the property
Total	**210**			

Information about fair value measurements using significant unobservable inputs (level 3)

2025

Description	Fair value at 27 April 2025 P'm	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Investment property (Botswana)	164	Income capitalisation method	Rental of P7 per sqm to P94 per sqm (weighted average of P52 per sqm) and capitalisation factor range from 9% to 18% with a weighted average of 13%	The higher the price per square metre, the higher the value of the property
Investment property (Zambia)	43	Income capitalisation method	Market price per square metre	The higher the price per square metre of a comparable property, the higher the value of the property
Total	207			

A 10 basis point increase / decrease in capitalisation rate on each property would increase / decrease the overall valuation by P0.2 million (2025: P0.1 million).

The rental assumptions used in the valuation of the properties is based on rental rates, which have limited variability. On this basis no sensitivity analysis has been presented in respect of any change in rental values.

Revaluation surpluses relating to investment property is included in other income and gains (note 8).

	2026 P'm	2025 P'm
Contractual rental income from investment property	**23**	**20**
Expenses directly attributable to investment property	**(1)**	**(1)**

Lease agreements exist for all let properties and range from 12 months to 10 years with options to renew.

No contingent rentals are charged. Most leases include escalation clauses which approximate to expected average inflation rates over the period of the respective leases.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

17 INTANGIBLE ASSETS

	Goodwill	Brand value	Computer software	Customer contract	Total
	P'm	P'm	P'm	P'm	P'm
Cost					
At 29 April 2024	49	84	27	19	179
Additions			3		3
Currency translation		2			2
At 27 April 2025	49	86	30	19	184
Additions			3		3
Currency translation	4	10	3	2	19
At 26 April 2026	**53**	**96**	**36**	**21**	**206**
Amortisation and impairment					
At 29 April 2024	3	33	22	16	74
Charge during the year		3	2	2	7
At 27 April 2025	3	36	24	18	81
Currency translation		6	1		7
Charge during the year	4	3	3	2	12
At 26 April 2026	**7**	**45**	**28**	**20**	**100**
Carrying amount					
At 26 April 2026	**46**	**51**	**8**	**1**	**106**
At 27 April 2025	46	50	6	1	103

Goodwill

The impairment assessment performed by the Directors at the year - end indicates significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units, with the exception of MF Holdings Pty Ltd which was impaired.

Brand value

Brand value arose on the acquisition of the trading business of Metro Cash and Carry Namibia in July 2014. This value is being amortised over 25 years on straight - line basis. Its useful life is reviewed at each reporting date.

Computer software rights

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The useful lives of software are reviewed at each reporting date.

Customer contracts

This arises from the long standing contractual agreements in place with credit customers of Sefalana Cash & Carry (Namibia) (Proprietary) Limited and Sefalana Trading (Proprietary) Limited, Lesotho.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

17 INTANGIBLE ASSETS (continued)

For the purpose of impairment testing, goodwill is attached to the following cash generating units:

	2026 P'm	2025 P'm
Sefalana Cash and Carry Limited	21	21
Sefalana Cash and Carry (Namibia) (Proprietary) Limited	22	22
Sefalana Trading (Proprietary) Limited, Lesotho	1	1
MF Holdings (Proprietary) Limited		4
Currency Translation	2	(2)
Total	**46**	**46**

Key assumptions used in the calculation of recoverable amounts are discount rates and growth rates as follows:

	2026				2025			
	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"
Discount rates	16.00%	16.00%	16.00%	16.00%	15.00%	15.00%	15.00%	15.00%
Growth rates	6.00%	7.00%	5.00%	11.20%	5.00%	6.00%	5.00%	8.00%

The table below shows the amount that these assumptions are required to change individually in order for the estimated recoverable amount to equal its carrying amount.

	2026				2025			
	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"	"Sefalana Cash and Carry Limited"	"Sefalana Cash and Carry (Namibia) (Pty) Limited"	"Sefalana Trading (Pty) Limited, Lesotho"	"MF Holdings (Pty) Limited"
Discount rates	16.00%	16.00%	16.00%	16.00%	15.00%	15.00%	15.00%	15.00%
Growth rates	4.15%	(1.62)%	(0.45)%	10.90%	(13.59)%	(11.16)%	(16.8)%	(1.15)%

Management used a 3 year projected cashflow based on approved financial budgets / forecasts of each cash generating unit to determine the recoverable amounts.

Goodwill on MF Holding (Pty) Limited amounting to P4 million is fully provided in current financial year.

Analysis of amortisation of intangible assets

	2026 P'm	2025 P'm
Goodwill	4	
Brand value	3	2
Computer software	3	3
Customer contracts	2	2
Total	**12**	**7**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

18 INVESTMENT IN ASSOCIATES

	South Africa	Australia		Botswana		
	UIH Investment Holdings Proprietary Limited	Seasons Finance Trust	Seasons Investment Holdings Proprietary Limited	Grow Mine Africa (Proprietary) Limited	Kgalagadi Soap Industries (Proprietary) Limited- (discontinued)	Total
	P'm	P'm	P'm	P'm	P'm	P'm
Investments at cost						
At 28 April 2024		22	42	7	3	74
Capitalisation of loan			11			11
At 27 April 2025		22	53	7	3	85
Conversion of preference shares (note 19)	345					345
At 26 April 2026	345	22	53	7	3	430
Impairment provision and other movements						
At 28 April 2024		(3)	30	7	3	37
Current year share of loss			7			7
Currency translation loss		1	1			2
At 27 April 2025		(2)	38	7	3	46
Current year share of (profit) / loss	(8)		5			(3)
Currency translation (gain) / loss	(9)	(3)	(2)			(14)
At 26 April 2026	(17)	(5)	41	7	3	29
Carrying value as at 26 April 2026	**362**	**27**	**12**			**401**
Carrying value as at 27 April 2025		24	15			39

UIH Investment Holdings Proprietary Limited

The Group entered into a preference share subscription agreement with UIH Investment Holdings (Proprietary) Limited ("UIH") effective 1 November 2024. UIH is a South African group in the FMCG sector, which operates a number of independent chains across the country. Its largest subsidiary company is Unitrade Management Services (Proprietary) Limited ("UMS / a "Buying Group") which services over 350 members in South Africa, Botswana and Lesotho. Sefalana has been a member of this Buying Group for a number of years and procures a significant proportion of its products through this entity for the Group's stores across the region. In this way it enjoys economies of scale in its procurement.

Under this preference share agreement, Sefalana earned a fixed annual return of 15% on the invested amount of R275 million for a one year period, at which time the preference shares at the Group's election, could either be redeemed at face value, or extended for a further year, or be converted to ordinary shares representing a 30% stake in UIH. The intended decision was to be communicated to UIH by 31 July 2025. The Group has exercised its option to convert this investment into share capital effective 1 November 2025.

On conversion, the fair value of the investment was considered to be its carrying value having considered the inputs in the valuation model. There were no significant changes in the underlying assumptions.

In accordance with IAS 28, this equity interest in the associate company will provide the Group with significant influence over UIH. This 30% interest has been equity accounted from the effective date of 1 November 2025 (refer to note 19).

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Purchase price allocation in relation to the South African associate

	ZAR'm	P'm
Fair value of net assets at 30%	95	79
Property, plant and equipment	33	28
Right of use assets	183	152
Financial and other assets	63	52
Current assets	513	426
Lease liabilities	(183)	(152)
Current liabilities	(514)	(427)
Goodwill on acquisition	320	266
Fair value of purchase consideration	415	345
Share of results of associate	10	8
Currency translation		9
Investment in South African associate at 26 April 2026	**425**	**362**

Other information pertaining to the associate company include:

Country of incorporation	South Africa
Financial year end	31 January
Effective interest in stated capital	30%
Principal activity	FMCG

Seasons Group Australia

On 7 May 2020 the Group entered into an agreement to purchase 40% of the share capital of an Australian business that operates in the Fast Moving Consumer Goods sector. This Australian business, by the name of Seasons Group, now consists of a chain of ten supermarkets in the Brisbane area. This business is controlled by a consortium of Shareholders (Unitrade Investments Australia (Proprietary) Limited) ("UIA").

Total purchase consideration for Sefalana's investment in Australia amounted to AU$10.5 million (P83 million), and was considered its fair value. The effective date of investment was 7 May 2020. This investment has been treated as an investment in an associate, in which Sefalana exerts significant influence, and is therefore equity accounted.

Part disposal of investment

In April 2024, the Group made a partial disposal of its shareholding in the Australian Seasons Group to UIH. As a result, its 40% shareholding was reduced to 30%. A consideration of P46 million (AU$5 million) was received, resulting in a gain on disposal of P14 million on equity and P1 million on redemption of loan to associate. This was recorded under other income and gains.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Loan to Seasons Investment Holdings Pty Ltd

	AU$'m	P'm	AU$'m	P'm
	2026		2025	
At start of year	5	46	6	58
Loan capitalised			(1)	(11)
Currency translation		7		(1)
At end of year	5	53	5	46
Interest receivable	1	14	1	9
Total loan and interest receivable	**6**	**67**	**6**	**55**

The business utilizes surplus cash to support store acquisitions, and therefore repayments against Shareholder loans are not expected within the next 12 months, unless additional store acquisitions do not take place. Loan balances attract a 7% (2025: 5%) interest charge.

Unitrade Investments Australia (Proprietary) Limited holds 70% (2025: 70%) of the equity in above entities.

Since all the above companies are private entities, no quoted market prices are available for their shares.

Other information pertaining to the associate company include:

Country of incorporation	Australia
Financial year end	31 March

31 March has been used for the company's year-end to align with the calendar quarters which is typical for Retailers in Australia.

Effective interest in stated capital (2025: 30%)	30%
Principal activity	FMCG retail

Sefalana has assessed the difference between the reporting date of UIH (31 January 2026), Seasons Group (31 March 2026) and Sefalana (26 April 2026) and has concluded that the difference of less than three months is acceptable under the IFRS rules for non-coterminous year ends. Appropriate consideration has been given to any significant transactions and events occurring in the intervening period to ensure that the Group's financials statements appropriately reflect the results of the associates' results and reporting position.

Summary aggregate financial information of associate companies

Summarised consolidated statement of comprehensive income

	2026	2025
	P'm	P'm
Revenue	8 567	1 544
Profit / (loss) before tax	30	(34)
Income tax	(22)	11
Profit / (loss) after tax	8	(23)
Share of results at 30%	3	(7)

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

18 INVESTMENT IN ASSOCIATES (continued)

Summarised consolidated statement of financial position

	2026 P'm	2025 P'm
Total non - current assets	1 132	822
Total current assets	1 749	185
Total non-current liabilities	(879)	(747)
Total current liabilities	(1 548)	(174)
Net equity	**454**	**86**

Reconciliation of aggregate summarised financial information to the carrying value of investment in associates

Net assets of associates	454	86
30 % share of total net assets	136	26
Goodwill	279	16
Currency translation and other adjustments	(14)	(3)
Investment in associates	**401**	**39**

Grow Mine Africa (Proprietary) Limited

On 23 October 2017 Sefalana Holding Company Limited entered into a consortium arrangement whereby it holds 40% of the share capital of Grow Mine Africa (Proprietary) Limited. The business was set up for the sole purpose of submitting a tender for the Botswana National Lottery.

On 4 June 2020, the Gambling Authority declared its decision to award Grow Mine (Proprietary) Limited ("Grow Mine") as its Preferred Applicant in respect of the Botswana National Lottery. Following a series of unsuccessful negotiations with the Gambling Authority, Grow Mine's status as the Preferred Applicant was revoked on 26 July 2021. Sefalana' s investment remains impaired at the reporting date.

The summarised results of this entity have not been presented on the basis that activities have not yet commenced at 26 April 2026.

Kgalagadi Soap Industries (Proprietary) Limited

As at reporting date in 2026 and 2025 the fair value and carrying value of the Group's interest in Kgalagadi Soap Industries (Proprietary) Limited was P nil following an impairment provision to reflect the potential realisable loss of its net investment in the assets of the business, including any loss incurred to date.

Kgalagadi Soap Industries (Proprietary) Limited is a private company and there is no quoted market price available for its shares. This business ceased its operations in May 2020. There are no contingent liabilities relating to the Group's interest in the associate.

The summarised results of this semi-dormant entity have not been presented on the basis that these are not material to the user of the financial statements.

	2026	2025
Other information pertaining to the associate company include:		
Country of incorporation	Botswana	Botswana
Financial year end	30 April	30 April
Effective interest in stated capital at KSI Holdings (Proprietary) Limited level	50%	50%
Effective interest in stated capital at Sefalana Holding Company Limited level	25%	25%
Principal activity	Dormant	Dormant

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

19 INVESTMENT IN PREFERENCE SHARES

Group		
	2026	2025
	P'm	P'm
Fair value of investment in preference shares	303	201
Currency translation difference	42	
Fair value initial recognition of conversion option (note 8).		102
Transfer to investment in associate (note 18)	(345)	
At the end of the year		303

The Group entered into a Preference Share subscription agreement with UIH Investment Holdings (Proprietary) Limited ("UIH") effective 1 November 2024. UIH is a South African group in the FMCG sector, which operates a number of independent chains across the country. Its largest subsidiary company is Unitrade Management Services (Proprietary) Limited ("UMS / a "Buying Group") which services over 350 members in South Africa, Botswana and Lesotho. Sefalana has been a member of this Buying Group for a number of years and procures a significant proportion of its products through this entity for the Group's stores across the region. In this way it enjoys economies of scale in its procurement.

Under this preference share agreement, Sefalana earned a fixed annual return of 15% on the invested amount of R275 million for a one year period, at which time the preference shares at the Group's election, could either be redeemed at face value, or extended for a further year, or be converted to ordinary shares representing a 30% stake in UIH. The intended decision was to be communicated to UIH by 31 July 2025. The Group has exercised its option to convert this investment into share capital effective 1 November 2025.

The investment was assessed to be a financial instrument at fair value through profit or loss. The fair value of the preference share investment was determined by the Group in accordance with IFRS 9 - Financial Instruments, Fair value measurements, using the Discounted Cash Flow Method and is based on the business plans and forecasted cash flows of UIH. This was then corroborated using industry average price to earnings (P/E) ratios.

The valuation is based on the following key inputs:

1. Earnings before interest, tax, depreciation and amortisation (EBITDA)
2. Expected rate of return
3. Interest rates
4. Inflation rates
5. Benchmark market information

The range of valuations based on reasonable sensitivities of each input was not considered material to the financial statements as a whole.

Input	Assumptions used in year-end valuation
Term date	1 November 2024 to 31 October 2025
Dividend pay-out policy	50%
PE minimum	4.8
PE maximum	6.1
South African inflation rate	3%
Discount rate	17%
EBITDA	Actual and forecast
Average Equity valuation	ZAR 1.4 billion

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

19 INVESTMENT IN PREFERENCE SHARES (continued)

The most significant input in the model is EBITDA and the expected rate of return. For every 5% change in the average annual EBITDA the value of the instrument would change by P15 million, and for every 1% change in the expected rate of return (discount rate), the value of the investment instrument would change in the opposite direction by P30 million.

On conversion, the fair value of the investment was considered to be its carrying value having considered the inputs in the valuation model. There were no significant changes in the underlying assumptions.

In accordance with IAS 28, this equity interest in the associate company will provide the Group with significant influence over UIH. This 30% interest has been equity accounted from the effective date of 1 November 2025 (refer to note 18).

20 DEFERRED LEASE ASSETS

	2026	2025
	P'm	P'm
At beginning of year	4	5
Movement during the year	(1)	(1)
At end of year	3	4

Deferred lease assets relate to investment properties and deferred letting commission and represents the unamortised lease rentals arising from straight - lining of lease charges and unamortised letting commission over the lease term.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

21 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets (liabilities) arise from the following:

	Accelerated tax depreciation	Revaluation of land and buildings	Inventory net realisable value adjustments	Other*	Total
	P'm	P'm	P'm	P'm	P'm
At 29 April 2024	(37)	(117)	34	21	(99)
Current year movement	(15)		6	17	8
Gain on revaluation of land and building included in Other Comprehensive Income		(5)			(5)
At 27 April 2025	(52)	(122)	40	38	(96)
At 28 April 2025	**(52)**	**(122)**	**40**	**38**	**(96)**
Current year movement	8	1	3	(6)	6
Currency translation	(4)			(1)	(5)
Gain on revaluation of land and building included in Other Comprehensive Income		(5)			(5)
At 26 April 2026	**(48)**	**(126)**	**43**	**31**	**(100)**

* includes tax asset arising from lease liability and accruals

	2026	2025
	P'm	P'm
Disclosed as:		
Deferred tax assets	37	35
Deferred tax liabilities	(137)	(131)
	(100)	**(96)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and labilities on a net basis.

During the current year, the Government of Botswana proposed significant tax reforms through the introduction of new tax legislation, including a proposed Income Tax Bill, VAT Bill and Tax Administration Bill. The proposed reforms include changes to corporate income tax rates applicable to Botswana entities.

At 26 April 2026, the proposed legislation had not yet been enacted or substantively enacted. Accordingly, in accordance with IAS 12 – Income Taxes, the Group has continued to measure deferred tax assets and liabilities using the tax rates enacted at reporting date. Deferred taxation for standard Botswana corporate entities has therefore been measured using the enacted corporate income tax rate of 22%, while deferred taxation relating to the Group's IFSC holding company and qualifying manufacturing entity has continued to be measured using the applicable preferential tax rate of 15%.

Once the revised legislation has been enacted, the Group will be required to remeasure deferred tax balances using the revised enacted tax rates applicable at the date of enactment or substantive enactment.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

22 NON - CONTROLLING INTEREST

KSI Holdings (Proprietary) Limited

The Group holds a 50% equity interest in KSI Holdings (Proprietary) Limited and controls the management and decision making function of the business based on an agreement between the Shareholders. KSI Holdings (Proprietary) Limited controls a 100% equity interest in Refined Oil Products (Proprietary) Limited, a property company and 50% equity interest in Kgalagadi Soap Industries (Proprietary) Limited (Note 18).

Set out below are the summarised group results for KSI Holdings Proprietary Limited

Summarised Statement of Financial Position

	2026 P'm	2025 P'm
Non - current assets		
Investment property	50	50
Total non - current assets	50	50
Current assets		
Cash and cash equivalents		
Other current assets	3	2
Total current assets	3	2
Non-current liabilities		
Borrowings		
Deferred tax	(1)	(1)
Total non-current liabilities	(1)	(1)
Current liabilities		
Financial liabilities		(2)
Other current liabilities	(2)	(1)
Total current liabilities	(2)	(3)
Net equity	**50**	**48**
Summarised Statement of comprehensive income		
Revenue	6	4
Profit before tax	4	3
Income tax charge		(1)
Profit after tax	4	2
Share of profit at 50% (2025: 50%)	2	1

Other information pertaining to the associate company include:

Country of incorporation	Botswana
Financial year end	30 April
Effective interest in stated capital	50%
Principal activity	Property rental

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

22 NON - CONTROLLING INTEREST (continued)

Level 55 (Proprietary) Limited

The Group holds a 65% equity interest in this subsidiary entity. This entity is in the business of supply and installation of shop fittings, kitchen and butchery equipment.

Set out below are the summarised group results for Level 55 Proprietary Limited.

Summarised Statement of Financial Position

	2026 P'm	2025 P'm
Non - current assets		
Property, plant and equipment	2	2
Right of use assets	4	6
Other assets	1	
Total non - current assets	7	8
Current assets		
Inventories	25	18
Trade and other receivable	9	16
Cash and cash equivalents	4	5
Total current assets	38	39
Non-current liabilities		
Lease liabilities	(3)	(5)
Total non-current liabilities	(3)	(5)
Current liabilities		
Trade and other payables	(9)	(5)
Other payable	(22)	(28)
Total current liabilities	(31)	(33)
Net equity	**11**	**9**

Summarised Statement of comprehensive income

Revenue	60	68
Interest income		
Interest expense	(3)	(8)
Profit before tax	2	4
Income tax charge		(1)
Total comprehensive loss for the year	**(1)**	**3**
Share of profit at 65% (2025: 65%)	**1**	**2**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

22 NON - CONTROLLING INTEREST (continued)

Other information pertaining to subsidiary company include:

Country of incorporation	Botswana
Financial year end	30 April 2026
Effective interest in stated capital	65%
Principal activity	Supply and installation of shopfittings

Summary of the Group's non-controlling interests

	% holding	2026 P'm	2025 P'm
Subsidiary company			
KSI Holdings Proprietary Limited	50%	25	24
Level 55 Proprietary Limited	35%	4	3
		29	**27**

23 INVENTORIES

	2026 P'm	2025 P'm
Purchased for resale	1 498	1 457
Finished goods	18	23
Raw materials	222	162
Work in progress	8	3
Less: inventory provisions	(175)	(158)
	1 571	**1 487**

The change in the inventory provision as charged during the year, amounted to P17 million (2025: P14 million). Inventory written off during the year amounted to P nil (2025: P nil).

Inventory provisions include the allowance for slow-moving and obsolete retail inventory of P71 million (2025: P65 million), shrinkage provision of P14 million (2025: P14 million) and provision for inventory unit cost adjustments of P90 million (2025: P79 million).

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

		2026	2025
		P'm	P'm
24	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	255	310
	Expected credit losses	(24)	(24)
		231	286
	Prepayments	25	30
	Advances	15	15
	Interest receivable on preference share investment		15
	VAT and other refund receivable	20	19
	Other receivables	47	44
		338	409
	Trade receivables		
	Non-current portion	5	5
	Current portion	333	404
		338	409

Non - current portion of P5 million (2025: P5 million) relates to outstanding lease payments due on vehicles sold on credit. Interest of P1 million (2025: P1 million) will be earned in future periods in respect of these vehicles.

Included in trade and other receivables are amounts due in foreign currencies being South African Rand, ZAR8 million (2025: ZAR36 million) which equates to P7 million (2025: P26 million), Namibian Dollar, N$93 million (2025: N$82 million) which equates to P 79 million (2025: P60 million), United States Dollar, US$ 0.1 million (2025: US$ 0.2 million), which equates to P2 million (2025:P2 million), and Lesotho Loti, LSL104 million (2025: LSL93 million), which equates to P87 million (2025: P68 million).

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period. Trade receivables comprise of retail customers, Government entities or parastatals, wholesale customers and tenants from retail and commercial properties. The trade receivables are spread across different revenue streams with no specific significant concentration of credit risk to a group of trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9: Financial Instruments, and is monitored at the end of each reporting period. The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented.

The expected loss rate per provision matrix has been developed by making use of past due default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The estimation techniques explained have been applied, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

24 TRADE AND OTHER RECEIVABLES (continued)

The Group's historical credit loss experience (predominantly relating to retail customers, with other groups of customers not significantly contributing to loss risks) differs year on year based on the economic climate across the Region. This has an impact age profile of the receivables at each reporting date. The provision for credit losses is therefore based on past statistics without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Estimated credit loss allowance working for the year ended 26 April 2026

	Current	30 days	60 days	90 days	120 days plus	Total
Expected loss rate	4.12%	4.55%	12.50%	38.89%	46.67%	
Gross carrying amount (P'm)	170	44	8	18	15	255
Loss allowance (P'm)	7	2	1	7	7	24

Estimated credit loss allowance working for the year ended 27 April 2025

	Current	30 days	60 days	90 days	120 days plus	Total
Expected loss rate	2.28%	3.02%	5.48%	36.84%	54.55%	
Gross carrying amount (P'm)	149	99	25	21	16	310
Loss allowance (P'm)	3	3	1	8	9	24

	2026 P'm	2025 P'm
Movement in allowances for expected credit losses:		
At start of the year	24	23
Expected credit losses recognised during the year	3	2
Amounts written off as uncollectible	(3)	(1)
At end of year	**24**	**24**

	2026 P'm	2025 P'm
25 CASH AND CASH EQUIVALENTS		
Cash on hand	34	24
Bank balances	630	504
	664	**528**
Cash and cash equivalents represented by:		
Cash on hand and bank balances	664	528
	664	**528**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

26 NON - CURRENT ASSET HELD FOR SALE

	2026	2025
	P'm	P'm
Asset classified as held for sale		
At start of the year		6
Additions during the year		
Disposal		(6)
Fair value gain		
At end of year		

Asset held for sale during the prior year relates to Tribal Lot 140, Ramotswa.

	2026	2025	2026	2025
	Number of shares	Number of shares	P'm	P'm
27 STATED CAPITAL				
Issued and fully paid				
At 27 April 2025	250 726 709	250 726 709	686	686
At 26 April 2026	**250 726 709**	**250 726 709**	**686**	**686**

The Company has one class of ordinary shares of no par value which carry no right to fixed income.

28 OTHER RESERVES

	Land and buildings revaluation	Currency translation	Total
	P'm	P'm	P'm
At 29 April 2024	347	(74)	273
Gain on revaluation of land and buildings (net of tax)	20		20
Currency translation differences and other movements		(3)	(3)
At 27 April 2025	367	(77)	290
At 28 April 2025	367	(77)	290
Gain on revaluation of land and buildings (net of tax)	17		17
Currency translation differences and other movements		218	218
At 26 April 2026	**384**	**141**	**525**

Land and buildings reserve relates to the revaluation of property, plant and equipment.

The currency translation reserve comprises differences arising from the translation of foreign denominated assets and liabilities to the reporting currency at the year end. These assets and liabilities relate to the Namibian, Lesotho, Mauritius and Zambian entities. The cumulative amount will be retransferred to profit or loss in the event that the net investment is disposed.

Foreign currency translation loss of P3 million in the prior year was in respect of the retranslation of foreign operations.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

		2026	2025
		P'm	P'm
29	**LOANS AND BORROWINGS**		
	Long term portion	292	310
	Current portion of loan	22	23
	Bank overdraft	61	67
		375	**400**

During the prior year the Group had entered into a P250 million term loan facility agreement with Stanbic Bank of Botswana Limited. The loan is fully draw down at the year end. P200 million was utilised towards the investment in Preference Shares and P50 million was assigned to property developments. A corporate guarantee from the Company has been given as security for the loan. The loan is repayable in 36 months with an option to extend for an additional 24 months upon request and the loan bears interest rate at bank's prime lending rate plus 1%.

The Group had entered into a P100 million facility arrangement with Botswana Insurance Fund Management Limited, with a draw-down period from March 2014 to May 2016. This facility, which is currently fully drawdown, is being repaid in five equal annual instalments of P20 million (2025 to 2029). Interest is charged at 8.1% per annum. This arrangement is being utilised to fund the Group's capital projects. The first repayment instalment was made in March 2025.

The Group has complied with the financial covenants of its borrowing facilities during the current and previous year.

A second term loan from First National Bank of Botswana Limited for P15 million bearing interest at prime lending rate plus 0.85%, and was repayable over 120 months commencing October 2016. This loan is secured by a first Covering Mortgage Bond of P18 million over Plot 10247/50, Broadhurst Industrial, Gaborone, Botswana and by letter of suretyships from Sefalana Holding Company Limited and the minority Shareholders of KSI Holdings (Proprietary) Limited. This term loan was fully paid off during the year.

The Group has a floor plan facility for P5 million from Wesbank a division of First National Bank of Botswana. The available facility as at end of current and prior year was P10 million and the facility bears interest of bank's prime lending rate plus 2.74%. Bank overdrafts have been classified under loans and borrowings in accordance with Accounting Standard 1 - Presentation of Financial Statements.

Bank overdraft bears interest at bank's prime lending rate less 1.35% and are repayable on demand. Corporate guarantee from the Company has been given as security for the facility.

30	**TRADE AND OTHER PAYABLES**		
	Trade payables	1 051	895
	Accrued expenses	46	36
	Advances from customers	7	3
	Other payables	60	25
	Unclaimed dividends	4	3
	VAT payable	8	10
		1 176	**972**

Included above are liabilities denominated in foreign currencies being ZAR248 million (2025: ZAR251 million) which equates to P211 million (2025: P184 million), Namibian Dollar, N$485 million (2025: N$446 million) which equates to P413 million (2025: P362 million), US$ NIL (2025: US$ 1 million) which equates to P NIL (2025: P 14 million), and Lesotho Loti, LSL 121 million (2025: LSL89 million) which equates to P103 million (2025: P65 million).

The average credit period for certain service cost liabilities is 30 days (2025: 30 days). Other payables are settled as and when they fall due. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

	2026 P'm	2025 P'm

31 FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial assets of the Group are classified as follows:

Category - financial assets at fair value		
Investment in preference shares		303
Category - financial assets at amortised cost		
Loan receivable from associate	67	55
Trade and other receivables (excluding prepaid expenses)	293	360
Amounts held in money market funds	276	76
Cash and cash equivalents	664	528
	1300	**1019**

32 FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial liabilities of the Group are classified as follows:

Category - financial liabilities at amortised cost		
Trade and other payables (excluding vat payable)	1168	962
Loans and borrowings	314	333
Lease obligations	320	260
Bank overdrafts	61	67
	1863	**1622**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

33 SHORT TERM BANKING FACILITIES

The short term banking facilities of the Group are presented below. The term loan facilities available to the Group are detailed in note 38.

Group				
Banker	**Facility**	**Currency**	**Limit in foreign currency**	**Limit in equivalent reporting currency (P)**
First National Bank of Botswana Limited	Overdraft	P	N/A	130.0 million
	Letters of credit	USD	0.3 million	3.4 million
	Guarantee	P	N/A	125.6 million
Stanbic Bank of Botswana Limited	Guarantee	P	N/A	60.0 million
Standard Bank Namibia Limited	Overdraft	N$	30.0 million	21.9 million
Standard Bank Lesotho Limited	Overdraft	LSL	20.0 million	14.6 million
Wesbank (a division of First National Bank of Botswana Limited)	Vehicles and equipment floor plan	P	N/A	10.0 million

There are cross suretyships between companies within the same Group proportionate to shareholdings.

The Group's unutilised facilities at the end of the year is equivalent to approximately P246 million (2025: P156 million).

34 CONTRACT LIABILITIES

	Customer loyalties	Total
	P'm	P'm
At 29 April 2024	16	16
Revenue recognised	(20)	(20)
Payments received in advance against performance obligations / liabilities accrued	16	16
At 27 April 2025	**12**	**12**
At 28 April 2025	12	12
Payments received in advance against performance obligations / liabilities accrued	(2)	(2)
At 26 April 2026	**10**	**10**

Customer Loyalties

The Sefalana Cash and Carry Limited loyalty program, Sefalana Rewards enables customers to purchase goods in future at a discounted price. The cardholder cannot redeem points without future purchases. The above contract liability relates to un-redeemed points at any given time.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

35 ACCRUALS

	Accruals for employee benefits
	P'm
At 29 April 2024	93
Arising during the year	84
Utilised during the year	(59)
At 27 April 2025	**118**
At 28 April 2025	118
Currency translation	4
Arising during the year	58
Utilised during the year	(84)
At 26 April 2026	**96**

Accruals for employee benefits represents incentives, annual leave and severance benefit entitlements as applicable.

36 OPERATING LEASE ARRANGEMENTS

Group as lessor

Operating leases relate to property owned by the Group with lease terms of between 12 months to 10 years, with an option to extend for a further negotiated period. All operating lease agreements contain market review clauses in the event that the lessee exercises its option to renew.

No lessee has an option to purchase the property at the expiry of the lease period.

	2026	2025
	P'm	P'm
Maturity analysis of amounts receivable under operating leases:		
Within one year	22	19
Within two to five years	38	
	60	**19**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

37 RETIREMENT BENEFIT ASSETS

Up until 30 September 2010, the Group operated two defined contribution retirement benefit plans, namely:

a) the Sefalana Pension Fund: Members of this Fund were the qualifying employees of Sefalana Holding Company Limited and Foods Botswana; and

b) the Sefcash Retirement Fund: Members of this Fund were the qualifying employees of Sefalana Cash and Carry Limited.

Effective from 1 October 2010 the Sefalana Pension Fund and the Sefcash Retirement Fund were amalgamated to form the Sefalana Group Staff Pension Fund.

The assets of these pension funds are held separately from those of the Group's businesses, in funds under the control of respective Board of Trustees represented equally by representative of employers and members, and have operated as one Fund since 1 October 2010.

The administration of the Fund was managed by an independent professional body, Fiducia Services (Proprietary) Limited.

The Sefalana Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund's liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members' pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time.

This Employer Reserve, which shares in the returns of underlying Fund assets, will continues to exist in the amalgamated Fund, and under rules for this amalgamated Fund, and was utilised to fund employer contributions to the pension Fund, and to meet certain other expenses of the amalgamated Fund.

Details of the Fund, although not coterminous with the Group's financial year have been included in this annual report for information purposes only. The Funds year end is 31 January. The Directors and Trustees are comfortable that there has been no significant movement in the valuation of the Fund and its assets between 31 January and 30 April of respective financial years.

The amalgamated Fund had fully utilised the Employer Reserve available to the participating employers at both reporting periods. This reserve may at a later date receive a distribution from other Reserves under certain circumstances. This surplus would then be utilised once again to fund employer contributions to the Pension Fund as was previously the case.

	2026	2025
	P'm	P'm
Plan assets consist of the following at fair value		
Property occupied by the Group	61	61
Equity securities	46	44
Managed funds	498	425
Cash	12	10
Other assets	2	
	619	540
Plan liabilities consist of the following:		
Payables	(8)	(7)
Net surplus	**611**	**533**
Represented by:		
Members Funds	573	495
Pensioners' Reserves	38	38
	611	**533**

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

38 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the relative debt and equity balance. The Group's overall strategy remains unchanged from prior years. The capital structure of the Group consists of long term borrowings, bank overdrafts and equity attributable to equity holders of the parent.

Gearing ratio

The Board of Directors reviews the capital structure on an on - going basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group aims to minimise net borrowings on a Group basis but will incur debt for expansion of operations where necessary. The Group has a target maximum gearing ratio of 20% determined as the proportion of net debt to equity. At the year end, the Group's cash and cash equivalents exceeded the borrowings from banks.

Net cash

	Note	2026 P'm	2025 P'm
Loans and borrowings			
At beginning of the year		400	143
Movement in overdraft		(6)	29
Loan repayment		(21)	(24)
Interest accrual		2	2
Increase in loans			250
At end of the year	**29**	**375**	**400**
Cash and cash equivalents			
Cash and bank balance	25	664	528
Short term investments	42	276	76
		940	**604**
Net cash position		**565**	**204**
Gearing ratio		10%	12%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 3 to the financial statements.

Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's financial risk management policies are approved by the Board of Directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Company's Board of Directors, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risk arising on the import of supplies throughout the Group. Market risk exposures in the prices of grain used by Foods (Botswana) (Proprietary) Limited are managed by securing contracts for bulk purchases of grain.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. The most significant foreign exchange exposure arise from South African Rand denominated purchases of goods for the Trading - Consumer Goods and Manufacturing operating segments. These obligations are generally settled within 30 days of delivery of goods, thus limiting the Group's exposure. Furthermore, anticipated changes in foreign exchange rates are considered in the sales pricing of such goods.

The Trading - Other operating segment attracts exposure to foreign currency exchange risk to the Euro and United States Dollar through importation of vehicles and equipment from foreign suppliers. The Group manages these risks through securing appropriate deposits in the underlying currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets 2026 P'm	Assets 2025 P'm	Liabilities 2026 P'm	Liabilities 2025 P'm
South African Rand (ZAR)	212	199	248	251
Namibian Dollar (N$)	406	355	485	446
Lesotho Loti (LSL)	122	119	121	89
United States Dollars (US$)	2	3		1
Zambian Kwacha (K)			1	2
Euro (EUR)				
Australian Dollar (AUD)	7	6		
Pula equivalent	731	596	729	589

Foreign currency sensitivity analysis

The Group is exposed to the South African Rand, Namibian Dollar and Lesotho Loti through its regional buying and selling operations; the Euro, as a result of a holding deposits in that currency; United States Dollar through a long term borrowing facility and regional and international buying operations and Australian Dollar through FMCG operations in Australia. The following table details the Group's sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax and other equity where the Pula strengthens 10% against the relevant currency. For a 10% weakening of the Pula against the relevant currency, there would be an equal and opposite impact on the profit before tax and other equity.

	2026					2025				
	ZAR impact P'm	N$ impact P'm	LSL impact P'm	USD impact P'm	AUD impact P'm	ZAR impact P'm	N$ impact P'm	LSL impact P'm	USD impact P'm	AUD impact P'm
On liabilities:										
Loss if Pula weakens by 10%	(21)	(41)	(10)			(18)	(33)	(6)	(1)	
Profit if Pula strengthens by 10%	21	41	10			18	33	6	1	
On assets:										
Loss if Pula strengthens by 10%	(18)	(35)	(10)	(3)	(7)	(15)	(26)	(9)	(5)	(6)
Profit if Pula weakens by 10%	18	35	10	3	7	15	26	9	5	6

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long - term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non - derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability. The table includes both interest and principal cash flows.

Group	Less than 1 year	Between 2 - 5 years	Beyond 5 years
	P'm	P'm	P'm
At 27 April 2025:			
Trade and other payables	962		
Loans and borrowings	52	400	
Lease obligations	93	193	22
Bank overdraft	67		
Total	**1 174**	**593**	**22**
At 26 April 2026:			
Trade and other payables	1 168		
Loans and borrowings	47	355	
Lease obligations	111	231	38
Bank overdraft	61		
Total	**1 387**	**586**	**38**

	2026	2025
	P'm	P'm
The Group has unused banking facilities available at the reporting date as follows:		
Overdraft	111	100
Wesbank floor plan	10	10
Letters of credit and guarantee	125	46

The Group will finance cash flows to settle the above obligations through utilisation of unused banking facilities and future operating cash flows.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure of financial instruments to interest rates at the reporting date. For floating rate liabilities denominated in the reporting currency, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit after tax for the year ended April 2025 would decrease / increase by P3 m (2025: decrease / increase by P2 m).

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

38 FINANCIAL INSTRUMENTS (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On - going credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit - ratings assigned by international credit - rating agencies.

The carrying amount of financial assets recorded in the financial statements is net of impairment losses and represents the Group's maximum exposure to credit risk.

Financial assets exposed to credit risk at end of year

	2026 P'm	2025 P'm
Trade and other receivables (excluding prepaid expenses)	293	360
Short term investments		
BIFM Unit Trusts (Proprietary) Limited	182	4
Stanbic Bank Botswana Limited	94	72
Bank and short term deposits with:		
Absa Bank of Botswana Limited	4	6
Bank Windhoek Limited	8	1
First National Bank of Botswana Limited	332	237
First National Bank of Namibia Limited	15	41
First National Bank of South Africa Limited	23	33
Nedbank Namibia Limited	9	4
Standard Bank Lesotho Limited	12	19
Stanbic Bank Botswana Limited	5	5
Standard Chartered Bank Botswana Limited	12	20
Standard Bank Namibia Limited	205	132
Standard Bank Mauritius	2	2
Zambia National Commercial Bank, Lusaka, Zambia	3	4
	1199	940

There are no credit ratings applicable to Banks specifically operating across the territories in which we operate. All commercial banks are regulated by the Central Banks of the relevant countries and are compliant with the capital and liquidity requirements.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

39 CONTINGENT LIABILITIES

a) Pending litigations against the companies within the Group are summarised below:

	Number of cases pending	Approximate claim value	Number of cases pending	Approximate claim value
	2026		2025	
		P'm		P'm
Commercial Motors (Proprietary) Limited	3	3	3	4
Foods Botswana (Proprietary) Limited			1	
Sefalana Trading (Proprietary) Limited	1	9	1	7
Meybeernick Investments (Proprietary) Limited	1	1	1	1
Sefalana Cash and Carry Limited	2	3	2	4
Sefalana Holding Company Limited			1	7

b) Bank guarantees issued in the ordinary course of business are as stated below and are in place to facilitate supply of products and services to the respective entities within the Group.

	Currency	Amount	Currency	Amount
	2026		2025	
		P'm		P'm
Foods Botswana (Proprietary) Limited	P	1	P	20
Level 55 (Proprietary) Limited	P	1	P	1
Meybeernick Investments (Proprietary) Limited	P	1	P	1
Sefalana Cash and Carry Limited	P	60	P	60

c) Assets mortgaged by the Group companies for various banking facilities are as stated in notes 14,16 and 29.

d) Sefalana Holding Company Limited and its subsidiaries have issued letters of suretyships to support various banking facilities enjoyed by the companies within the Group.

	2026	2025
	P'm	P'm
40 CAPITAL COMMITMENTS		
Capital expenditures approved by the Directors:		
Contracted for		
Not contracted for	367	167
	367	167

The Group will procure third party financing for the major capital commitments before they are incepted.

Notes to the financial statements

For the 52 week period ended 26 April 2026 (continued)

	2026 P'm	2025 P'm

41 RELATED PARTY BALANCES AND TRANSACTIONS

Transactions between related parties have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Amount due from related party / affiliate (common directorship)		
UIH Investment Holdings (Proprietary) Limited		15
Loan receivable		
Seasons Investment Holdings Proprietary Limited	67	55
Dividend on preference shares from related party / affiliate		
UIH Investment Holdings (Proprietary) Limited (note 7)	17	15
Rent paid		
Sefalana Group Staff Pension Fund	7	7
Contribution to pension fund		
Sefalana Group Staff Pension Fund	19	18

42 SHORT TERM INVESTMENTS

	2026 P'm	2025 P'm
Money market funds and short term fixed deposits	276	76

Money market funds are short term deposits held with institutions, earning interest of between 6% and 12.3% annually. These funds are accessible to the company with 24 hours notice in case of money market funds and upon the maturity of the short term deposits.

43 GOING CONCERN ASSESSMENT

Based on the Group's level of profitability, its significant net asset position and its strong cash flows, the Directors consider the Group a going concern.

44 SUBSEQUENT EVENTS

There are no material events requiring adjustment to, or disclosure in, the financial statements, which occurred after the reporting date and up to the date of authorising these financial statements.

Notes

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Sefalana Holding Company Limited will be held at the Head Office of the company, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Gaborone on Friday 30 October 2026 at 16H00 for the purpose of transacting the following business:

Ordinary business

1. **Ordinary Resolution 1:**
   To adopt the Notice and Agenda of the meeting.

2. **Ordinary Resolution 2:**
   To receive, consider and adopt the Group's audited consolidated financial statements for the 52-week period ended 26 April 2026 together with the Directors' and Auditor's reports thereon.

3. **Ordinary Resolution 3**
   To ratify the dividend declared for the period being a final gross dividend of 20 thebe per ordinary share paid to Shareholders in August 2026.

4. **Ordinary Resolution 4:**
   To approve the remuneration of the Auditor for the 52-week period ended 26 April 2026 as disclosed in note 11 of the financial statements.

5. **Ordinary Resolution 5:**
   To approve the appointment of Grant Thornton as Auditor for the ensuing financial year.

6. **Ordinary Resolution 6:**
   To re-elect Dr. K. Jefferis who retires by rotation, in accordance with the constitution, and being eligible, offers himself for re-election.

7. **Ordinary Resolution 7:**
   To re-elect Ms S. Swanniker-Tettey who retires by rotation, in accordance with the Constitution, and being eligible, offers herself for re-election.

8. **Ordinary Resolution 8:**
   To ratify the appointment of Mr. Otlaabotsa Tsie as an Independent Non-Executive Director with effect from 1 July 2026. (Refer to page 292)

9. **Ordinary Resolution 9:**
   To approve the remuneration of the Non-Executive Directors, as set out on pages 150 and 151 of the 2026 Annual Report.

10. **Non-binding advisory vote 1, on Executive Remuneration**
    In accordance with good corporate governance practice, the remuneration of the Executive Directors as set out on page 151 of the 2026 Annual Report is put forward for consideration by Shareholders.

11. **Any Other Business**
    To transact such other business as may be transacted at an Annual General Meeting.

Non-Executive Director's Appointment

Otlaabotsa Tsie (48)
Independent Non-Executive
Main Board attendance

Mr. Tsie is a seasoned risk and compliance specialist with over 20 years' experience in enterprise risk management, regulatory compliance, and corporate governance. He has held senior roles across the financial services sector, where he was responsible for developing risk frameworks, strengthening internal controls, and advising boards on governance and regulatory matters. He is currently the Director – Risk & Compliance for BPOPF.

He holds a Bachelor of Business Administration BBA (Management), and is a Certified Enterprise Risk Manager (CERM) with the International Academy of Business and Financial Management (IABFM).

Mr. Tsie joined the Board on 1 July 2026 and brings extensive expertise in audit, risk oversight, and compliance, including anti-money laundering and regulatory engagement. He is a member of the Risk & Sustainability Committee.

Voting and Proxies

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy to attend and speak and, on a poll, to vote in his / her/ its stead. A proxy need not be a member of the Company.

Proxy forms must be deposited or received at **Sefalana Head Office, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Private Bag 0080, Gaborone**, or via email to **companysecretary@sefalana.com** and **investors@sefalana.com** not less than 48 hours before the meeting.

Meeting Procedures

Shareholders who wish to attend and participate are requested to provide details to the Group Company Secretary, as per participation form below. For administration purposes Shareholders are requested to submit the participation form no later than **Monday 26 October 2026**. Please note that each AGM participant will be verified. Shareholders who wish to attend by lodging a proxy need not complete the Participation form.

Please complete the Participation form and email it to **companysecretary@sefalana.com** and **investors@sefalana.com**

PARTICIPATION FORM

Name of registered Shareholder	
Omang/ID/Company Number	
Shareholders CSD account number/ broker account number/custodian account number	
Name of Broker where shares are not dematerialized	
Number of shares held	
Email address of the Shareholder	

By order of the board

Joanne Robinson
Group Company Secretary
24 September 2026

For completion by holders of ordinary shares

PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM.

For use at the Annual General Meeting of ordinary Shareholders of Sefalana Holding Company Limited to be held at Sefalana Holding Company Limited, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Gaborone on Friday 30 October 2026 at 16H00.

I/We

(name/s in block letters)

of

(address)
Appoint (see note 1):

1. _____ or failing him / her, _____

2. _____ or failing him / her, _____

3. the Chair of the Meeting, _____

as my / our proxy to act for me / us at the General Meeting which will be held for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for or against the resolutions and / or abstain from voting in respect of the ordinary shares registered in my / our name in accordance with the following instructions (see note 2):

	Number of ordinary shares:			
		For	Against	Abstain
1	Ordinary Resolution number 1			
2	Ordinary Resolution number 2			
3	Ordinary Resolution number 3			
4	Ordinary Resolution number 4			
5	Ordinary Resolution number 5			
6	Ordinary Resolution number 6			
7	Ordinary Resolution number 7			
8	Ordinary Resolution number 8			
9	Ordinary Resolution number 9			
10	Non-binding advisory vote 1			

Signed at	on	2026

Signature

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be member/s of the company) to attend, speak and vote in place of that Shareholder at the General Meeting.

Notes to Form of Proxy

Please read the accompanying notes.

1 A Shareholder may insert the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chair of the General Meeting." The person whose name appears first on the form of proxy, and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2 A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the General Meeting as he / she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the Chair, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution. A Shareholder or his / her/ its proxy is obliged to use all the votes exercisable by the Shareholder or by his / her / its proxy.

3 The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.

4 The Chair of the General Meeting may reject or accept any form of proxy not completed and / or received other than in accordance with these notes provided that she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5 An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

6 A vote given in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or insanity of the Shareholder, or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the Ordinary Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company not less than one hour before the commencement of the General Meeting or adjourned General Meeting at which the proxy is to be used.

7 The authority of a person signing the form of proxy under a power of attorney or on behalf of a Company must be attached to the form of proxy, unless the authority or full power of attorney has already been registered by the Company or the Transfer Secretaries.

8 Where Ordinary Shares are held jointly, all joint Shareholders must sign.

9 A minor must be assisted by his / her guardian, unless the relevant documents establishing his / her legal capacity are produced or have been registered by the Company.

10 Proxy forms must be received either at the Registered office at **Plot 10038, corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Private Bag 0080, Gaborone** or via email to **companysecretary@sefalana.com** and **investors@sefalana.com**

Botswana

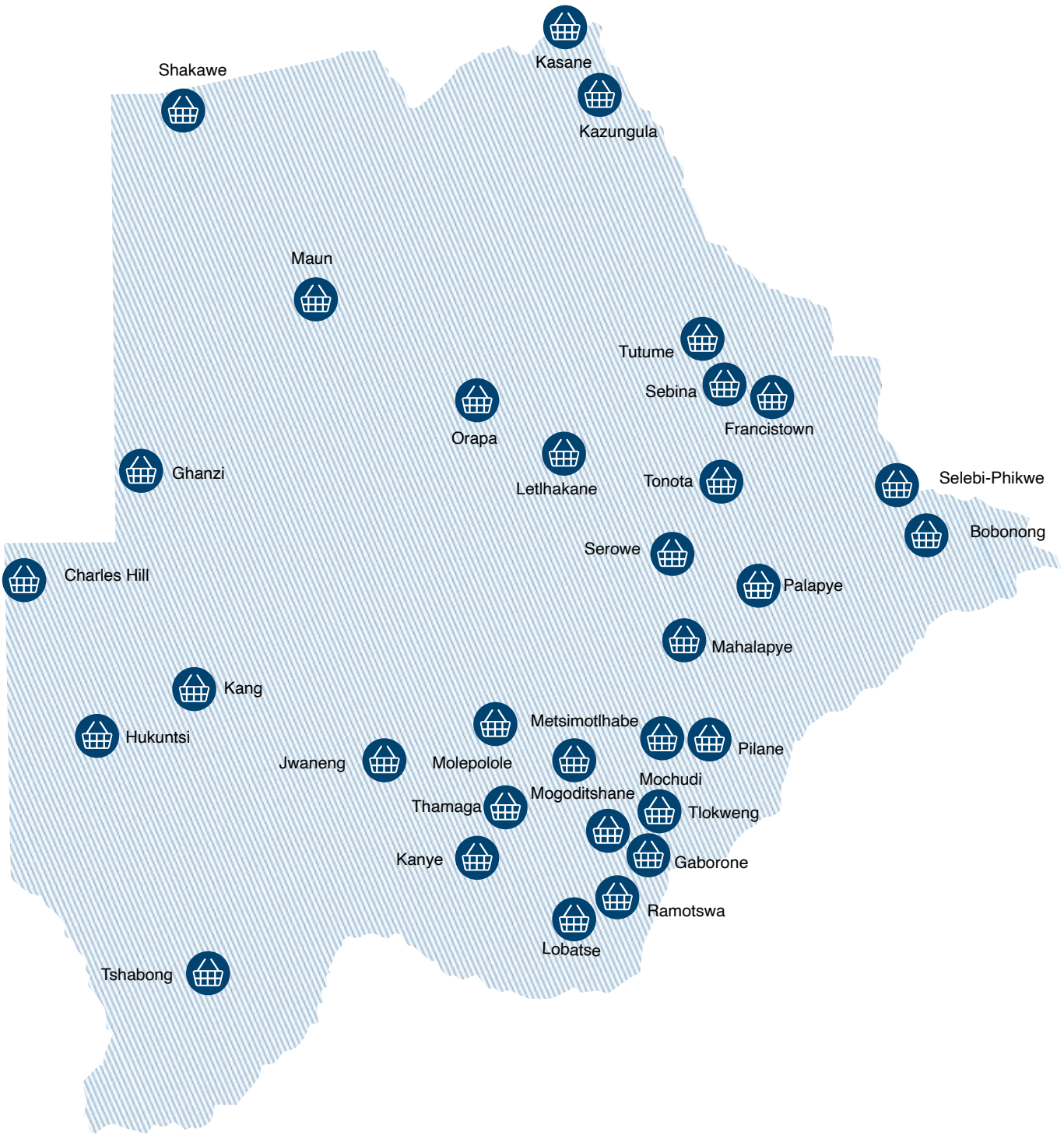
SEFALANA GROUP CONTACT DETAILS				
Branch	**Postal Address**	**Physical Address**	**Telephone**	**Fax**
SEFALANA GROUP COMPANY HEAD OFFICES				
Sefalana Holding Company Limited	Private Bag 0080, Gaborone	Plot 10038, Broadhurst, Gaborone	3913-661	3907-614
Sefalana Cash and Carry Limited	Private Bag 00422, Gaborone	Plot 10038, Broadhurst, Gaborone	3681-700	3907-614
Meybeernick Investments (Pty) Limited	Private Bag 0080, Gaborone	Plot 10038, Broadhurst, Gaborone	3913-661	3907-614
Foods Botswana (Pty) Limited - Milling	P O Box 1131, Serowe	Plot 98, Newtown, Serowe	4630-268	4630-965
Foods Botswana (Pty) Limited - Beverages	Private Bag 1403 AAD, Gaborone	Plot 25433, Block 3 Industrial, Gaborone	3913-056	3913-057
Commercial Motors (Pty) Limited	P O Box: 2276, Gaborone	Plot 5664, Broadhurst, Gaborone	3952-652	3952-643
Mechanised Farming (Pty) Limited	P O Box: 2276, Gaborone	Plot 10243, Broadhurst, Gaborone	3974-336	3959-086
Kgalagadi Soap Industries (Pty) Limited	Private Bag BR 33, Gaborone	Plot 10247/50, Broadhurst, Gaborone	3913-661	3973-590
Sefalana Fresh Produce	PO Box 47296, Gaborone	Plot # 31357/8, Gaborone North	3186-935	3186-987
Sefalana Catering	P/Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
SEFALANA HYPER STORES				
Gaborone Hyperstore	Private Bag 0075, Gaborone	Plot 20608/9, Ext. 34, Western ByPass	3973-866 / 3182-406	3932-487
Francistown Hyperstore	P O Box 61, Francistown	Plot 22053, Donga	2402-222 / 2402-235	2402-250
Mahalapye Hyperstore	P O Box 122, Mahalapye	Botalaote Ward	4710-452 / 4710-356	4710-591
Mogoditshane Hyperstore	P/Bag 00422 Gaborone	Plot 5512, Mogoditshane	3186-300 / 3186-315	3186-316
Letlhakane Hyper Store	P/Bag F43, Letlhakane	Nkosho Ward	2978-770 / 2978-832	2976-221
Jwaneng Hyper Store	P O Box 792, Jwaneng	Plot 2303, Industrial Sites	5880-327 / 5880-953	5880-878
SEFALANA CASH & CARRY STORES				
Bobonong Cash & Carry	P O Box 1240, Bobonong	Sebaila Ward	2629-555 / 2629-555	2629-542
Broadhurst Cash & Carry	P O Box 1066, Gaborone	Plot 10038, Ext. 16, Kubu Road	3912-361 / 3975-760	3973-093
Charleshill Cash & Carry	P O Box 197, Charleshill	Plots 6/7/8, Main Street	6592-225 / 6592-223	6592-224
Francistown Cash & Carry	P O Box 10444, Tatitown	Plot 6146, Sam Nujoma Road. Light Indus Area, Francistown	2412-161 / 2414-404	2412-151
Gaborone West Cash & Carry	P O Box 269, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3953-241 / 3914-964	3952-058
Hukuntsi Cash & Carry	P O Box 405, Hukuntsi	Plot 71, Mogobelelo Ward, Main Road	6510-206 / 6510-206	6510-049
Kang Cash & Carry	Private Bag 9, Kang	Plot 35, Gamonyemana Ward	6518-114 / 6517-400	6517-044
Kanye Cash & Carry	Private Bag MH4, Kanye	Plot 771, Mafhikana Ward	5440-160 / 5440-912	5440-484
Kasane Cash & Carry	Private Bag K11, Kasane	Plot 732/733/734, Kazungula Main Rd	6250-248 / 6250-311	6250-195
Lobatse Cash & Carry	P O Box 11189, Lobatse	Plot 336, Mokgosi Avenue	5332-588 / 5330-815	5306-781
Maun Cash & Carry	P O Box 426, Maun	Plot 15, Nthayagodimo Ward	6860-936 / 6862-530	6860-566
Molepolole Cash & Carry	P O Box 1436, Molepolole	Thamaga Road, Industrial Site	5920-404 / 5921-070	5921-600
Palapye (New) Cash & Carry	Private Bag 87, Palapye	Plots 343/344, New Industrial Site	4920-013 / 4921-180	4920-019
Palapye (Old) Cash & Carry	P O Box 173, Palapye	Plots 6/7/29, Old Industrial Site	4920-273 / 4921-617	4920-402
Pilane Cash & Carry	Private Bag 20, Mochudi	Plot 200, Industrial Site	5729-500 / 5729-132	5729-772
Ramotswa Cash & Carry	Private Bag 00422, Gaborone	Plot 106, Ramotswa Station, Taung	5391-955 / 5391-923	5391-964
Serowe Cash & Carry	P O Box 139, Serowe	Rasebolai Drive, Mere Ward, Swaneng	4630-315 / 4633-679	4630-848
Selebi-Phikwe Cash & Carry	P O Box 21, Selebi Phikwe	Plot 12385, Industrial Site	2610-711 / 2611-381	2611-052
Thamaga Cash & Carry	P/Bag 00422, Gaborone	Plot 130, Marang Ward	5999-117 / 5999-398	5999-397
Tonota Cash & Carry	P O Box 182, Shashe	Plot 23, Semotswane Ward, Shashe	2480-193 / 2480-193	2480-192
Tsabong Cash & Carry	P/Bag 0027, Tsabong	Plot 538, Ikageng Ward	6540-077 / 6540-077	6540-850
Tutume Cash & Carry	P O Box 340, Tutume	Magapatona Ward	2987-826 / 2987-828	2987-825
DISTRIBUTION CENTRES				
Capital Tobacco	Private Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
Gaborone Distribution Centre	P/Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road	3911-800 / 3937-188	3937-189
Letlhakane Shopper Distribution Centre	Private Bag 00422, Gaborone	Plot 150/C374, Industrial Letlhakane	76000-650	
Maun Shopper Distribution Centre	Private Bag 00422, Gaborone	Plot 15, Nthayagodimo Ward, Maun	76000-644	
Palapye Shopper Distribution Centre	Private Bag 00422, Gaborone	Plots 6/7/29, Old Industrial Site, Palapye	492-409	
SEFALANA SHOPPER "The BIG One" STORES				
Shopper Molapo "The BIG One"	P/Bag 00422, Gaborone	Plot 54463, Gaborone	3166-028	316-6005
Shopper Setlhoa "The BIG One"	P/Bag 00422, Gaborone	Plot 77806, Setlhoa Village	3910-119 / 3910-515	3910-423

SEFALANA SHOPPER STORES

Branch	Postal Address	Physical Address	Telephone	Fax
Broadhurst Quick Caltex	P O Box: 2276, Gaborone	Plot 5664, Broadhurst, Gaborone	3911-231	3911-231
Broadhurst Shopper Abes	P/Bag 00422, Gaborone	Plot 10032, Ext. 20, Broadhurst	3937-043 / 3191-912	3937-041
BBS Mall Quick	P/Bag 00422, Gaborone	Plot 17533, Portion 1349, Gaborone	318-0058	
Charleshill Shopper & Liquor	P/Bag 00422, Gaborone	Plot 56, Charleshill shopping Centre	659 -7357	6597-285
Commerce Park Shopper	P/Bag 00422, Gaborone	Plot 177, International Commerce Park, Gaborone	396-0492 / 87	
Gaborone West Shopper	P/Bag 00422, Gaborone	Plot 17872, Phase 1, G-West	3187-606 / 7	3187-606
Ghanzi Shopper	P/Bag 00422, Gaborone	Shop # 1, Plot 32, Ghanzi	6597-192 / 6597189	6597-170
Hukuntsi Shopper & Liquor	P/Bag 00422, Gaborone	Macheng Mall, Unit G04a	6510-414	6510-412
Kanye 1 Shopper	P/Bag 00422, Gaborone	Plot 751, Main Road	5480-632	5480-631
Kanye 2 Shopper	P/Bag 00422, Gaborone	Mahube Mall, Tloung Ward	5443-702	5443-712
Kazungula Shopper & Liquor	P/Bag 00422, Gaborone	Tribal Plot 1461 - Duncan Plaza	6251-186 / 62511-87	6251-790
Letlhakane 1 Shopper	P/Bag 45, Letlhakane	Plot 1602, Tawana Ward	2976-277	2976-702
Letlhakane 2 Shopper	P/Bag 00422, Gaborone	Tribal Plot 10408, Letlhakane	2910-313	2910-312
Mahalapye # 1 Shopper	P/Bag 00422, Gaborone	Plot 3848, Botalaote Ward	4720-508	4720-505
Mahalapye # 2 Shopper	P/Bag 00422, Gaborone	Plot 1278, Main Mall	4720-485	4711-774
Maun # 1 Shopper	P/Bag 00422, Gaborone	Plot 1299, Old Mall, Riverside Ward	6863-305	6863-309
Maun # 2 Shopper	P/Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-784 / 6864-941	6864-926
Maun Shopper & Liquor	P/Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-017 / 6864-090	6864-082
Metsimotlhabe Shopper & Liquor	P/Bag 00422, Gaborone	Plot 65, Metsimotlhabe	3165-364 & 3165-368 (Liquor)	3165-369
Mochudi Shopper	P/Bag 00422, Gaborone	Plot 979, Rammopyama Ward,	5777-510	5777-517
Mogoditshane Quick & Liquor	P/Bag 00422, Gaborone	Shop # 3, Plot 13779, Block 5	3182-757	3182-748
Mogoditshane Shopper Fourways	P/Bag 00422, Gaborone	Plot 36292, Mogoditshane	318-2757 / 47	318-2748
Molepolole Shopper	P/Bag 00422, Gaborone	Plot 1728, Borakalalao Ward	5910-550	5910-552
Nkoyaphiri Shopper	P/Bag 00422, Gaborone	Shop # 4, Plot 12011, Nkoyaphiri	3947-957 / 3947-961	3947-937
Orapa Shopper	P.O. Box 1217, Orapa	Unit 1, Sable Avenue, Orapa	2971-414 / 2970-268	2970-210
Palapye Shopper	P/Bag 00422, Gaborone	Lot 1077, Old Mall	4924-608 / 4924-609	4922-303
Puma FS & Quick Setlhoa	P/Bag 00422, Gaborone	Plot 77806, Setlhoa Village	3960-237	
Ramotswa Shopper	P/Bag 00422, Gaborone	Plot 15200, Ramotswa Village	3165-364 / 3165-368	5390-013
Sebina Shopper & Liquor	P/Bag 00422, Gaborone	Plot 796, Nznga Ward	2981-050 / 2981-057	298-1055
Selebi-Phikwe Shopper	P/Bag 00422, Gaborone	Plot 7062, Main Mall	2610-088 / 2610-000	2610-095
Shakawe Shopper	P/Bag 0422, Gaborone	Tribal Lot 1461	6875-203 / 6875-205	6875-204
Tlokweng Shopper	P/Bag 00422, Gaborone	Plot 8KO, Tlhakong Ward, Tlokweng; Shop #2	3104-961 / 3104-960	3104-962
Tlokweng Shopper & Liquor	P/Bag 00422, Gaborone	Plot 10009, Royal Aria	3164-280	3164-270
Tlokweng Quick 2	P/Bag 00422, Gaborone	Old Mall, Tribal Plots 158/159	3971-599	3971-598
Tsabong Shopper	P/Bag 00422, Gaborone	Plot 316, TM Complex, Mothupi Ward	6540-643	6540-637
Tonota Shopper& Liquor	P/Bag 00422, Gaborone	Plot 4594, Molebatsi Ward	2484-869 / 2484-870	2484-850
UB Shopper& Bakery	P/Bag 00422, Gaborone	Plot 4775, Ext.15, Student Centre - Unit 34	3951-174	3907-095

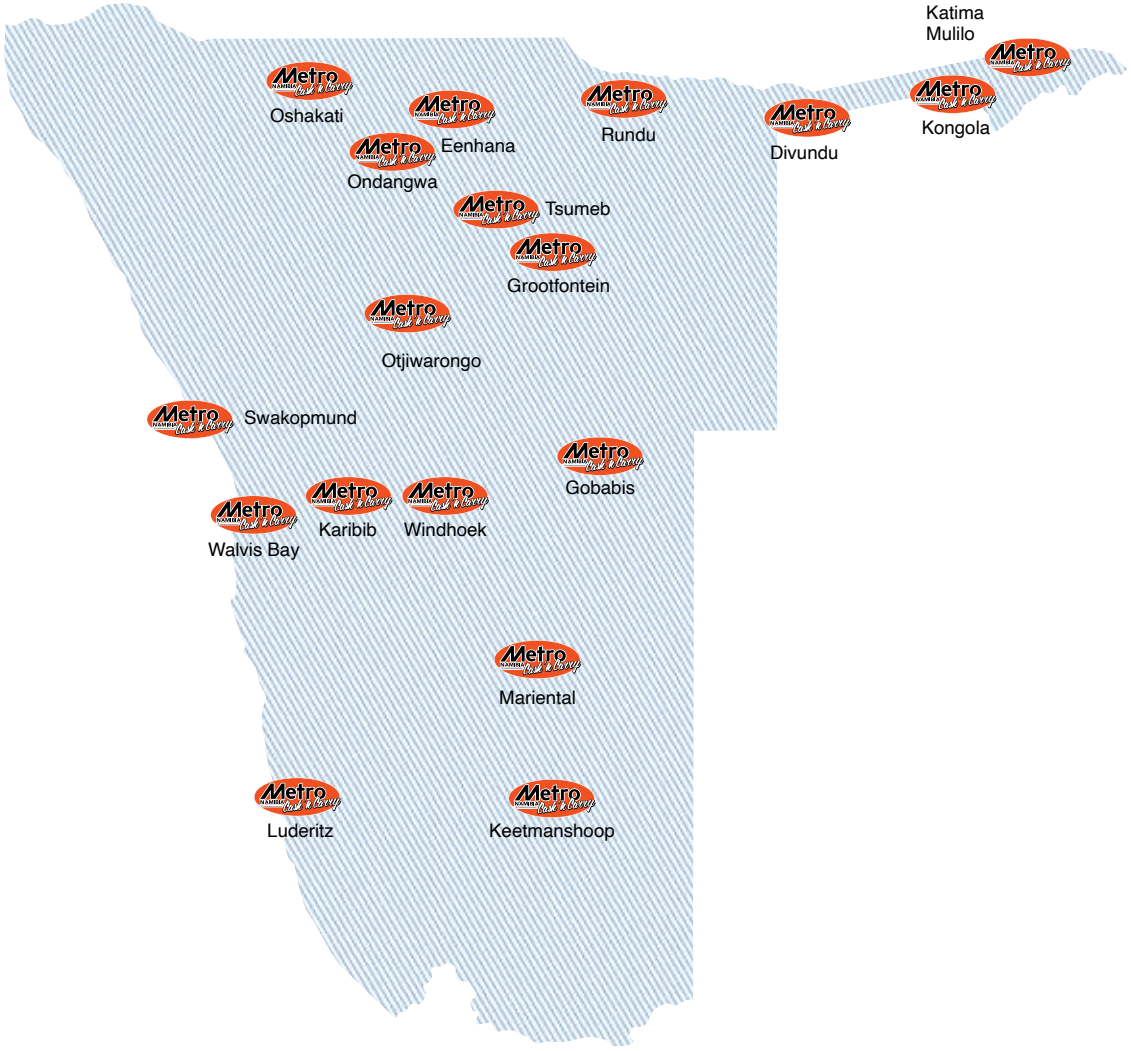
Botswana

SEFALANA LIQUOR STORES				
Branch	**Postal Address**	**Physical Address**	**Telephone**	**Fax**
Charleshill Shopper Liquor	Private Bag 00422, Gaborone	Plot 56, Charleshill Shopping Mall, Charleshill	6597357	6597285
Ghanzi Shopper Liquor	Private Bag 00422, Gaborone	Shop no. 1, Plot 32, Ghanzi	6597192 / 6597189	6597170
Gaborone Liquor, Block 5	P/Bag 00422, Gaborone	Plot 54615, Block 5, Gaborone	3969-931	
Gaborone Liquor, Block 8	P/Bag 00422, Gaborone	Plot 34969, Block 8, Gaborone	3924-399	
Hukuntsi Shopper Liquor	Private Bag 00422, Gaborone	Macheng Mall, G04a4b, Tribal Lot 158	6510416	6510412
Hukuntsi Cash & Carry Liquor	Private Bag 00422, Gaborone	Macheng Mall, G04a4b, Tribal Lot 158	6510-416	6510-412
Kazungula Shopper Liquor	Private Bag 00422, Gaborone	Plot 1461, Duncan Plaza, Kazungula	6521186 / 87	6252790
Jwaneng Liquor	P/Bag 00422, Gaborone	Unit 14, plot 3761, 5422, 5423	5880-362	
Maun Liquor	Private Bag 00422, Gaborone	Plot 11137, Boseja Ward	6864-017 / 6864-090	6864-082
Metsimotlhabe Liquor	Private Bag 00422, Gaborone	Plot 65, Metsimotlhabe	3165-364 / 3165-368	3165-369
Mogoditshane Liquor	Private Bag 00422, Gaborone	Shop no. 4, Plot 13779, Block 5	3182-747	3182-748
Mogoditshane Liquor, Block 2	P/Bag 00422, Gaborone	Plot 11956, Block 2, Mogoditshane	3960-269	
Mogoditshane Liquor, Block 4	P/Bag 00422, Gaborone	Plot 11838, Block 4 Mogoditshane	3969-047	
Nkoyaphiri Liquor	Private Bag 00422, Gaborone	Plot 12011, Nkoyaphiri, Mogoditshane	3947-957 / 61	3972-835
Orapa Liquor	Private Bag 00422, Gaborone	Unit 1, Sable Avenue, Orapa	2971414 / 2970268	2970210
Ramotswa Liquor	Private Bag 00422, Gaborone	Plot 15200, Ramotswa Village	5390054	
Sebina Shopper Liquor	Private Bag 00422, Gaborone	Plot 796, Nznga Ward	2981050 / 2981057	2981055
Setlhoa Liquor	Private Bag 00422, Gaborone	Plot 77806, Setlhoa Village, Gaborone	3163095	3910423
Shakawe Shopper Liquor	Private Bag 00422, Gaborone	Tribal Lot 1461	6875203 / 6875205	6875204
Tlokweng Liquor	Private Bag 00422, Gaborone	Plot 10009 Royal Aria, Tlokweng	3164-280	3164-270
Tonota Shopper Liquor	Private Bag 00422, Gaborone	Plot 4594, Molebatsi Ward	2484870	2484850
Tsabong Shopper Liquor	Private Bag 00422, Gaborone	Plot 316, Mothupi Ward, TM Complex	6540643	6540637


Kasane
Shakawe
Kazungula
Maun
Tutume
Sebina
Francistown
Orapa
Letlhakane
Ghanzi
Tonota
Selebi-Phikwe
Bobonong
Serowe
Charles Hill
Palapye
Mahalapye
Kang
Metsimotlhabe
Hukuntsi
Pilane
Jwaneng
Molepolole
Mochudi
Mogoditshane
Thamaga
Tlokweng
Kanye
Gaborone
Ramotswa
Lobatse
Tshabong

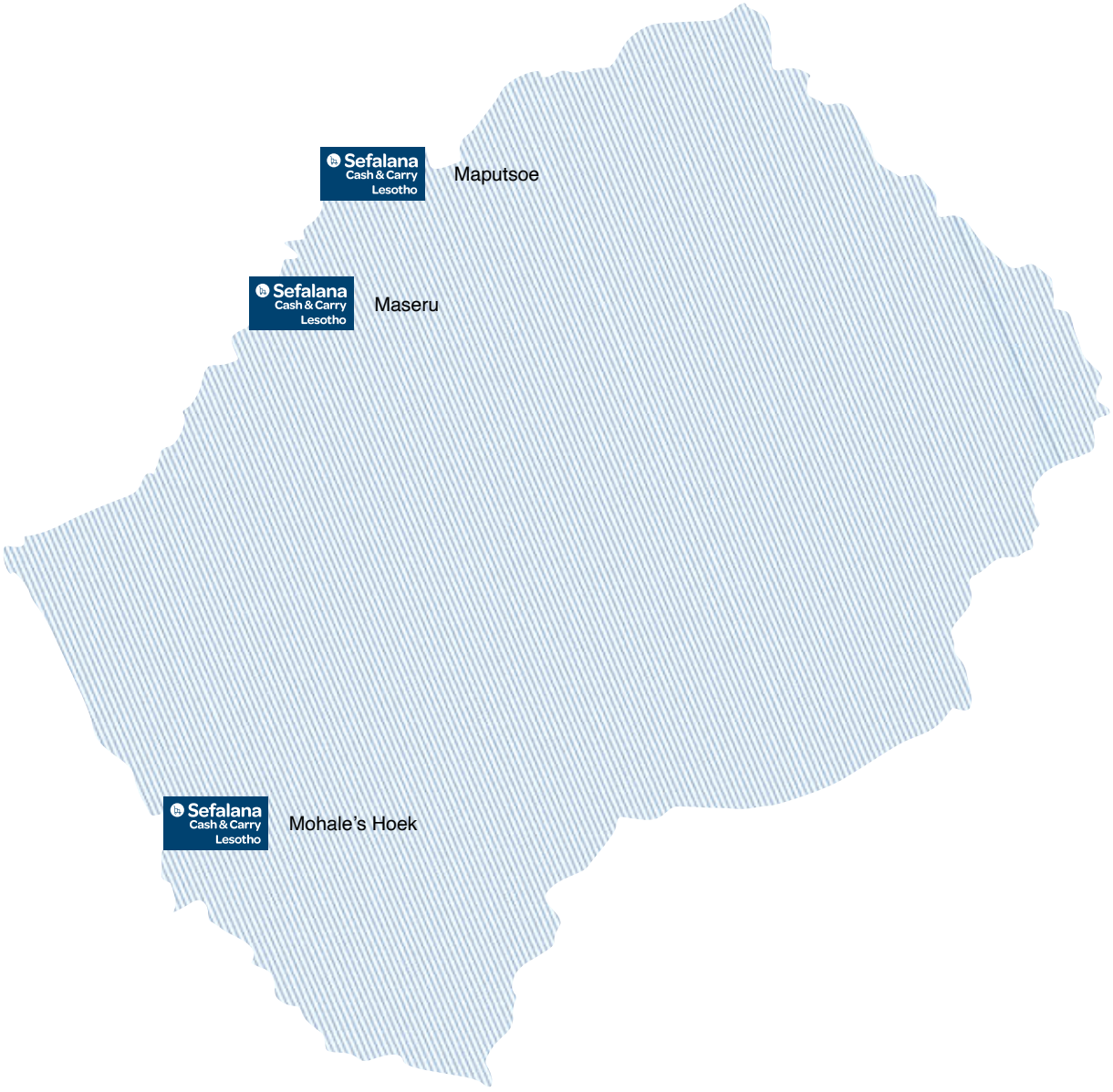
Namibia

METRO NAMIBIA STORE ADDRESS					
BRANCH	**Postal Address**	**Physical Address**	**Telephone**	**Cellphone**	**E - Mail Address**
METRO HEAD OFFICES					
Head Office - Namibia	Box 1417, Windhoek	11 van der Bijl street, Northern Industrial, Windhoek	084 - 000-2000		marketing@metro.com.na
METRO STORES					
Metro Katima Mega	Box 1952 Katima Mulilo	Lifasi , 599 , Katima Mulilo	0833322016	081 234 7209	kat356@metro.com.na
Metro Zambezi	Box 1417 Windhoek	Erf 3884-3887 unit 10-12 Zambezi shopping Centre	0833322005	081 670 7212	zam374@metro.com.na
Metro Kongola	Box 1417 Windhoek	Main Road, Katima	0833322022	081 722 4626	kon375@metro.com.na
Metro Divundu	Box 1417 Windhoek	ERF 298 Divundu, Main road to Katima	0833322015	081 551 9229	div359@metro.com.na
Metro Rundu	Box 1744, Rundu	Erf 1080, Main Road, Rundu	0833322014	081 785 9535	run323@metro.com.na
Metro Tsumeb	Box 470, Tsumeb	Hage Geingob Drive, Tsumeb	0833322011	0816644317	Tsu355@metro.com.na
Metro Grootfontein	Box 1417 Windhoek	754, Sam Nujoma Drive, Grootfontein	0833322018	081 239 5513	goo372@matro.com.na
Metro Otjiwarongo Foods	Box 185, Otjiwarongo	C/O Tuin Road and Wes Street, Otjiwarongo	0833322010	081 673 7017	Otj353@metro.com.na
Metro Otjiwarongo Liquor	Box 185, Otjiwarongo	C/O Tuin Road and Wes Street, Otjiwarongo	0833322019	081 818 1829	Otjl354@metro.com.na
Metro Ondangwa	Box 2349 Ondangwa	Main Road, Ondangwa	0833322012	081 657 7218	Ond322@metro.com.na
Metro Oshakati	Box 15116, Oshakati	Endola Road,Plot 1344, Oshakati	0833322013	081 868 2037	Osh304@metro.com.na
Metro Eenhana	Box 1417 Windhoek	Unit 25, Greenwell Complex, Eenhana	0833322017	081 459 3460	een371@metro.com.na
Metro Oshikango	Box 1417 Windhoek	Oshikango Main Road	0833322030	081 490 1496	oshi381@metro.com.na
Metro Hyper Foods	Box 1417 Windhoek	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 155 6153	hyp310@metro.com.na
Metro Hyper Liquor	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 484 9671	hlq776@metro.com.na
Metro Fresh	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 127 2640	hypfresh355@metro.com.na
Metro Home	Box 80783 Olympia Whk	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	0833322003	081 789 5903	hom378@metro.com.na
Metro Walvis Bay	Box 511, Walvis Bay	Circumferential, Walvis Bay	0833322008	081 2990326	wal309@metro.com.na
Metro Swakopmund CC	Box 993 Swakopmund	McHugh Street, Swkopmund	0833322020	081 687 7214	swa320@metro.com.na
Metro Swakop Mega	Box 993 , Swakopmund	Cnr Hidipo Hamuntenya & Watt str, Swakopmund	0833322009	081 204 6010	meg357@metro.com.na
Metro Karibib	Box 1417, Windhoek	Erf 334, C/O Kapapu & Simovski str, Karibib	0833322009	081 331 0025	kar376@metro.com.na
Metro Kuisebmond	Box 1417 Windhoek	C/O Pelican str and David Hambunda	0833322031	081 222 4541	kuis382@metro.com.na
Metro Windhoek	Box 1417, Windhoek	van der Bijl Street Northern Industrial, Windhoek	0833322001	081 127 2831	windhoekcc@mettro.com.na
Metro Windhoek Liquor	Box 1417, Windhoek	van der Bijl Street Northern Industrial, Windhoek	0833322002	081 310 0097	windhoekliq@metro.com.na
Metro Okurangava Liq	Box 1417, Windhoek	Erf 1012, Ondota street, Katutura	0833322023	081 674 6537	oku759@metro.com.na
Metro Gobabis	Box 400. Gobabis	Kalahari Highway, Gobabis	0833322007	081 290 7125	gob359@metro.com.na
Metro Keetmanshoop	Box 715, Keetmanshoop	Cnr Ferro & 5th Ave, Keetmanshoop	0833322004	081 692 3558	kee317@metro.com.na
Metro Mariental	Box 215, Mariental	C/o Mark & Park, Street, Mariental	0833322006	081 391 4379	mar316@metro.com.na
Metro Luderitz	Box 1417, Windhoek	Bay Road, Luderitz	0833322025	081 385 4764	lud379@metro.com.na
Eros	Box 1417, Windhoek	Heliodoor Str, Eros, WHK	0833322026	081 270 1091	eros501@metro.com.na
Nelson Mandela Av.	Box 1417, Windhoek	Nelson Mandela Ave, Swakop	0833322028	081 803 3416	nma503@metro.com.na
Venus	Box 1417, Windhoek	58 Sam Nujoma drive,Walvisbay	0833322027	081 648 4991	ven502@metro.com.na


Katima
Mulilo
Oshakati
Eenhana
Rundu
Divundu
Kongola
Ondangwa
Tsumeb
Grootfontein
Otjiwarongo
Swakopmund
Gobabis
Karibib
Windhoek
Walvis Bay
Mariental
Luderitz
Keetmanshoop

Lesotho

SEFALANA LESOTHO STORE CONTACT DETAILS				
Location	**Postal Address**	**Physical Address**	**Telephone**	**Email Address**
Maseru Sefalana Cash & Carry	P O Box 0436, Maseru West, Maseru 100, Lesotho	2 Lioli Road, Maseru West, Station Area, Lesotho	(00266) 2232 6223	A.dutoit@sefalana.co.ls
Maseru Sefalana Liquor	P O Box 0436, Maseru West, Maseru 100, Lesotho	Plot 12774 - 011, Corner of Makoanyane & Motsoene Roads, Industrial Area, Maseru, Lesotho	(00266) 2231 6714	lehlohonolo@sefalana.co.ls
Maputsoe Sefalana Cash & Carry	P O Box 772, Maputsoe, Lesotho	A1 Road, Site #23134 - 017 Ha Nyenye Maputsoe Urban	(00266) 2243 1091	etienne@sefalana.co.ls
Maputsoe Sefalana Liquor	P O Box 772, Maputsoe, Lesotho	A1 Road, Site #23134 - 017 Ha Nyenye Maputsoe Urban	(00266) 2243 1091	mohau@sefalana.co.ls
Mohale's Hoek Sefalana Liquor	P.O. Box 314, Mohale's Hoek, Lesotho	Sefalana Liquor urban next to Lifemeng Mohale's Hoek	(00266) 22780551	ralethoko@sefalana.co.ls



Australia

AUSTRALIA STORE CONTACT DETAILS			
Seasons Group of Companies	**Store Name**	**Address**	**Telephone**
Seasons Supermarkets 1 Pty Ltd	Seasons IGA Caloundra	Village Shopping Centre, cnr Bingera Tce & Ormuz St, Caloundra Qld 4551	(07) 5491 4966
Seasons Supermarkets 2 Pty Ltd	Seasons IGA Garnet St.	5 Garnet Street, Cooroy	(07) 3555 6360
Seasons Supermarkets 3 Pty Ltd	Seasons IGA Noosa	Shop 1 Noosa Junction Plaza, 81 Noosa Drive, Noosa Heads, QLD, 4567	(07) 5447 2777
Seasons Supermarkets 4 Pty Ltd	Seasons IGA East Brisbane	33 Lytton Rd, East Brisbane, QLD, 4169	(07) 3393 2344
Seasons Supermarkets 5 Pty Ltd	Seasons IGA Burpengary	3-7 Burpengary Road, Burpengary, 4505	(07) 3886 0557
Seasons Supermarkets 6 Pty Ltd	Seasons IGA Yandina	1 Old Gympie Road, Yandina, QLD, 4561	(07) 5446 8400
Seasons Supermarkets 7 Pty Ltd	IGA Cooroy	3 EMERALD STREET, COOROY	(07) 5454 2257
Seasons Supermarkets 8 Pty Ltd	Seasons IGA Maleny	26 Maple Street, Maleny, QLD, 4552	(07) 5447 6061
Seasons Supermarkets 9 Pty Ltd	Seasons IGA Wises Rd	32 Wises Rd, Maroochydore QLD 4558	(07) 5479 0888