

CHOPPIES

Great value for your money!

CHOPPIES ENTERPRISES LIMITED

Registration number 2004/1681
ISIN:BW0000001072
JSE SHARE CODE: CHP
BSE SHARE CODE: CHOPPIES
Tax Reference Number: C08710401018
“Choppies” or the “Company” or “the Group”

ABRIDGED AUDITED GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

The Board of Choppies Enterprises Limited announces the results of the Group for the year ended 30 June 2019.

Financial highlights

- These results were published late due to changes in auditors as well as the legal and forensic investigations on some of the matters raised by the auditors which reports were only concluded and released during September 2019. These events, coupled with the outbreak of COVID 19 and the lockdowns in the countries in which the Group operates, resulted in the delay in publication.
- The Group recorded a negative equity mainly due to unrealized foreign currency translation reserves and trading losses from regions that were discontinued since the June 2019 year-end. The negative Group equity gave rise to extensive investigations into the ability of the Company and Group being able to operate as going concerns for the next year and medium term thereafter. The Board does not expect any material uncertainty over its ability to continue as a going concern in the foreseeable future.
- Group Revenue decreased by 11% from P10 791 million to P9 620 million due to a P1.1 billion decline in turnover from the Zimbabwe segment on the back of a volatile macro-economic situation that led to a 84% depreciation of the Zimbabwe currency against the Pula. The gross profit margin improved from 19.1% to 19.7% owing to a 1.2% improvement in the Botswana segment.
- Operating loss increased from P316 million to a loss of P323 million mainly due to reported losses from the South Africa segment on the back of a dismal trading conditions in the North West province.
- The Board has considered it prudent to not declare a dividend for the period under review in order to preserve cash.

Key financial data (audited)	2019	2018	Change
	Pula Millions	Pula Millions	
Revenue	9,620	10,791	(11%)
Gross profit	1,896	2,062	(8%)
Gross margin	19.7%	19.1%	60 bps
Operating loss	(323)	(316)	2%

Operating margin	(3.4%)	(2.9%)	(43 bps)
Loss for the period	(429)	(445)	(4%)
Loss per share basis	(30.2 Thebe)	(32.1 Thebe)	(6%)
Headline loss per share basic	(25.0 Thebe)	(6.8 Thebe)	266%
Net cash flows generated from operating activities	282	420	(138)
Cash and cash equivalents at end of the period	(41)	15	(56)

This short form announcement is the responsibility of the Board of Directors of Choppies Enterprises Limited and is a summary of the information in the full announcement available on the Stock Exchange News Service ("SENS") at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/CHP/CHPJUN19.pdf> and on the Group's website: <https://choppiesgroup.com/investor-relations/>.

This announcement does not contain full details and should not be used as a basis for any investment decision in relation to the Company's shares. The full announcement is also available for inspection, at no charge, at the Company's registered office (Plot 50371, Fairgrounds office park, Gaborone, Botswana.) and the office of the Sponsor during standard office hours.

Sponsors:

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24 JULY 2020

The Company's primary listing is on BSEL and its secondary listing is on JSE. The listings in both exchanges are currently suspended.