



Part of every home in sub-Saharan Africa



What guides our journey

Choppies aspires to be the preferred retailer in the markets and communities it serves. We continue to pursue organic growth through the expansion of our store network, opening stores that reflect the evolving needs and shopping habits of our customers while welcoming new customers and communities into the Choppies family.

Our purpose

Providing great value to customers, growing together with our communities and respectfully and sustainably contributing to their wellbeing.



Our vision

Being the preferred "one-stop shop" retailer for mass grocery and financial services in the countries in which we operate.



Our mission

To conduct business in a socially and environmentally responsible manner and continuously seek to maximise returns to all our stakeholders.



CORPORATE INFORMATION

(Registration number: BW00001142508)

BSE

ISIN: BW0000001072
Share code: CHOP-EQO
Bloomberg code:
CHOPPIES BG EQUITY
Reuters code: CHOPP.BT
Listing date: January 2012

JSE

ISIN: BW0000001072
Share code: CHP
Listing date: May 2015
Total shares in issue: 1 824 461 674



Creating shared value.

Core values

Our core values are derived from the concept of **BOTHO**, a Tswana word encapsulating the concept of Ubuntu or humanity and caring for the community.



- ✓ **Listening** to our stakeholders
- ✓ Providing **great overall value** to our customers and communities
- ✓ **Caring** for the **wellbeing** of our customers and communities
- ✓ Working in **partnership** with our communities
- ✓ **Always on the lookout** for opportunities, technologies and innovations
- ✓ **Taking pride in what we do** and showing respect and honesty in all our dealings
- ✓ **Ethically** sound
- ✓ **Empowering, recognising and rewarding** our people

B O T H O



For further information, please see **P 42 to 66**.



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Part of every home.

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Reflections from our Chairman



Listening to our stakeholders.

About this report

This Integrated Annual Report complies with the BSE Listings Requirements, the JSE Listings Requirements, the Botswana Companies Act, and the International Integrated Reporting Framework. The Annual Financial Statements were prepared in accordance with International Financial Reporting Standards (“IFRS”).

Scope and boundary

The Integrated Annual Report 2026 provides an overview of our business, growth strategy, and our potential to create sustainable value for our stakeholders in the short, medium and long term. It covers the period from 1 July 2025 to 30 June 2026. This Integrated Annual Report focuses on the material issues that the Board of Directors believes are important to our stakeholders’ understanding of the Company.

The disclosures encompass Choppies’ operations across all regions of continuing operations. The annual financial statements are presented in Botswana Pula (“BWP”) (unless otherwise stated), which is considered the functional currency.

There was no change to any measurement techniques.

The boundary has been extended beyond financial reporting to encompass the material interests attributed to or associated with our key stakeholders in analysing the risks, opportunities, and outcomes that significantly impact the Group’s potential to create value for its stakeholders.

Reporting frameworks

Choppies complies in all material respects with the principles contained in the BSE Code of Best Practice on Corporate Governance as well as the King IV* report, as encapsulated in the applicable regulations.

Six capitals and materiality

Through the effective and balanced use of essential resources and stakeholder relationships, or “capitals”, as described by the International Integrated Reporting Council’s International <IR> Framework, we produce long-term sustainable value for stakeholders. We increase, decrease, or transform the six capitals through the execution of our business activities, as outlined in our business model on P 21 and 22.

* The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and titles in the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV), and all of its rights are reserved.

For reporting purposes, we define material matters as those that may have a significant impact on our capacity to build and sustain value over the short, medium and long term. The Board of Directors and executive management in the strategy review have assessed and identified the material matters. Material matters identified during the year are outlined on P 24.

While this report is primarily aimed at our present and potential shareholders, it also takes into account the information demands of our vast and diverse range of stakeholders who are critical to the Group’s long-term value development.

Forward-looking statements

This Integrated Annual Report contains forward-looking statements that, unless otherwise indicated, reflect the Group’s expectations as at year-end.

Actual results may differ materially from the Group’s expectations. The Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these.

The Group disclaims any intention and assumes no obligation to revise any forward-looking statement even if new information becomes available, other than as required by the BSE Listings Requirements and the JSE Listings Requirements or any other applicable regulations.



About this report continued

Assurance

The Company's external auditor, Forvis Mazars, has independently audited the consolidated and separate annual financial statements for the year ended 30 June 2026. Its audit report is set out on P 105 to 107.

Business process Consolidated annual financial statements	Business process Internal audit	Business process Health, safety and environmental audits
Nature of assurance External audit	Nature of assurance Independently outsourced	Nature of assurance Compliance reviews
Assurance provider Forvis Mazars	Assurance provider BDO Services (Pty) Limited	Assurance provider Encyclo Investment (Pty) Limited
Business process BSE Listings Requirements	Business process JSE Listings Requirements	Business process Lender due diligence
Nature of assurance Compliance reviews	Nature of assurance Compliance reviews	Nature of assurance Legal and compliance reviews
Assurance provider Motswedi Securities (Pty) Limited	Assurance provider PSG Capital (Pty) Limited	Assurance provider Managed internally by the investment committee
	Business process Insurance due diligence	
	Nature of assurance Independent risk reviews	
	Assurance provider Alpha Direct Insurance Company (Pty) Limited	

FEEDBACK

More information is available on our website:

www.choppiesgroup.com.

This year's Integrated Annual Report is available on www.choppiesgroup.com. On request, shareholders can obtain a physical copy of the report at no cost.

We are committed to improving this report year on year. Therefore, we appreciate and encourage constructive feedback. Please forward comments to vidya@choppiesbotswana.co.bw.

For additional contact details, please see P 166.

OUR STAKEHOLDERS

 Customers	 Shareholders	 Communities
 Financiers	 Employees	 Media
 Suppliers	 Regulators and government	 Employee representation

OUR SDGs

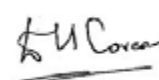
 1 NO POVERTY	No poverty	 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth
 3 GOOD HEALTH AND WELL-BEING	Good health and well-being	 10 REDUCED INEQUALITIES	Reduced inequalities
 4 QUALITY EDUCATION	Quality education	 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities
 5 GENDER EQUALITY	Gender equality	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
 6 CLEAN WATER AND SANITATION	Clean water and sanitation	 13 CLIMATE ACTION	Climate action
 7 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, justice and strong institutions

Board responsibility statement

The Choppies Board of Directors confirms its responsibility for the integrity of the Integrated Annual Report, the content of which has been collectively assessed by the directors who believe that all material issues have been addressed and are fairly presented.

The Board believes that the Integrated Annual Report was prepared in accordance with the <IR> Framework. The report, which remains the ultimate responsibility of the Board, is prepared under the supervision of senior management, with the annual financial statements subject to external audit. The report is submitted to the audit and risk committee ("ARC") which reviews and recommends it to the Board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements.

The directors confirm that Choppies complies with the provisions of the Botswana Companies Act or laws of establishment, specifically relating to its incorporation and is operating in conformity with its constitution and/or relevant constitutional documents.



Uttum Corea
Chairman



Ramachandran Ottapathu
Chief Executive Officer



Minnesh Rajcoomar
Chief Financial Officer

30 October 2026

FY2026 salient features

Choppies Group continues to make progress in advancing its strategy and long-term vision, demonstrating resilience amid a challenging operating environment.

↑ 7.9%

GROUP RETAIL SALES

BWP9 822 million

(2025: BWP9 107 million)

↑ 6.5%

GROSS PROFIT

BWP2 016 million

(2025: BWP1 893 million)

↓ (7.4%)

EBITDA

BWP574 million

(2025: BWP620 million)

↓ (13.2%)

ADJUSTED EBITDA

BWP550 million

(2025: BWP634 million)

↓ (23.6%)

EARNINGS BEFORE INTEREST
AND TAX

BWP243 million

(2025: BWP318 million)

↓ (37.6%)

ADJUSTED EARNINGS BEFORE
INTEREST AND TAX

BWP219 million

(2025: BWP351 million)

↓ (51%)

PROFIT AFTER TAX FROM
CONTINUING OPERATIONS

BWP74 million

(2025: BWP151 million)

↓ (56.4%)

HEADLINE EARNINGS
PER SHARE

4.1 thebe per share

(2025: 9.4 thebe)



Financial



"One-stop shop" retailer.

All five operating segments achieved positive EBITDA; **NAMIBIA** and **LIQUORAMA** recorded operating losses

REVENUE

momentum remains strong despite profitability temporarily impacted by macroeconomics

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

Consortium debt **FULLY REPAYED** during the year, fully funded by internal cash resources

Store footprint increased by **27 STORES**

ERP SYSTEM

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

BUILDING SCALE

now to capture operating leverage



Operational

8 solar installations in Botswana and 19 in Namibia

Invested **BWP3.4 million** in training and upskilling

Expanded our registered farmer network from **5 620 to 6 368**

Extended minimum wage commitments to **employees** in **Namibia**



ESG

Reflections from our Chairman

The 2026 financial year proved to be one of the most challenging for the Group in recent years. Economic pressures intensified across our markets, consumer disposable income came under increasing strain, and businesses were required to operate in an environment characterised by elevated inflation, rising costs and growing uncertainty.

Notwithstanding this, Choppies remained focused on protecting its customer base, maintaining affordability and preserving the long-term sustainability of the business.

While the operating environment impacted our financial performance, the Group sought to balance cost recovery with customer retention, recognising that protecting customer loyalty and market share is critical to the long-term success of the business. In an environment where customers are facing increasing pressure on household budgets, maintaining affordability remains a strategic priority.

All five operating segments achieved positive EBITDA; Namibia and Liquorama recorded operating losses. Consortium debt was also fully repaid. The commitment to increase the store footprint by 27 new stores was made when Botswana's inflation was at a record low of 1.1% in July 2025. Apart from other contributing factors, our costs increased and our bottom line was compromised, mainly due to Botswana's inflation reaching 10.70% by June 2026. The Board has resolved to retain earnings



Uttum Corea
Chairman

to preserve liquidity for core operations and growth. The Board remains committed to shareholder returns and will resume dividend declarations as conditions improve.

Market and economic overview

The operating environment during the year was shaped by a combination of domestic economic pressures and global uncertainty. The most significant factor affecting the Company in Botswana was the effective devaluation of the Botswana Pula on 7 July 2025, which increased the cost of imported goods in a market that depends highly on imports. This, and government-administered price increases, contributed to rising inflation and placed considerable pressure on consumer spending and business costs.

While the underlying effects of devaluation and government-administered price increases continued, these factors were further compounded by geopolitical developments in the Middle East, which disrupted global oil markets and contributed to a sharp 66% increase in Brent crude oil prices, driving higher fuel and logistics costs across global supply chains. Botswana's inflation in June 2026 was 10.70%, well beyond the Bank of Botswana's range of 3%-6%.

By comparison, inflation in South Africa in June 2026 was only 5%, which is where most of our imports originate from. Rising product costs, together with higher transportation and operating expenses, created a challenging trading environment for both retailers and consumers.



Improving shareholder returns,
maintaining optimal dividend yields and
strengthening the balance sheet



Shared value journey:
sustainability and social
responsibility

Objectives guiding
our journey



Becoming the **employer
of choice** in the regions
in which we operate



Driving a **digital transformation** that
improves the customer, employee and
supplier experience and powers the business
to improve productivity, efficiency,
engagement, and performance

Reflections from our Chairman continued

Strategic progress

Our strategic priorities remain unchanged despite the challenging trading environment. The Board continues to focus on sustainable growth, operational efficiency, sound risk management and long-term value creation for shareholders. These priorities guided our decision-making throughout the year and have continued to position the Group for future opportunities.

The resilience of our business model has allowed us to continue serving our customers effectively while navigating external pressures. Our commitment to affordability, operational discipline and customer-centric decision-making remains central to our strategy and underpins our confidence in the Group's long-term prospects.

Environmental, social and governance progress

The Board remains committed to integrating environmental, social and governance ("ESG") considerations into the Group's strategy and decision-making processes. Encouraging progress was made against a number of sustainability objectives during the year, which reflects our commitment to responsible business practices, environmental stewardship and creating shared value for the communities in which we operate.

Among the key achievements during the year were continued advances in local supplier and farmer development, the expansion of renewable energy initiatives, improvements in energy efficiency across our operations and progress in reducing the environmental footprint of our retail activities. These outcomes demonstrate the Group's ongoing commitment to supporting local economic development while building a more sustainable and resilient business.

While challenges remain, the Board is encouraged by the progress achieved during the year and remains focused on advancing initiatives that deliver long-term value for our stakeholders and make a positive contribution to society and the environment. Further details on our ESG performance and progress against specific targets are set out on P 67 to 70.

Board effectiveness and governance

Robust governance remains fundamental to maintaining stakeholder confidence and ensuring long-term value creation. During the year, the Board undertook a formal self-assessment and performance evaluation process as part of its commitment to continuous improvement and governance best practice. The outcomes of this process will support the ongoing enhancement of Board effectiveness and oversight.

The Board remains committed to maintaining the highest standards of accountability, transparency and ethical leadership, ensuring that the Group remains well positioned to navigate current and emerging risks.

Looking ahead

The economic outlook remains uncertain as businesses continue to navigate inflationary pressures, geopolitical instability and changing consumer spending patterns. The effects of currency devaluation, rising costs and broader economic challenges are likely to persist in the near term and will require continued discipline and prudent management.

We are also mindful of emerging risks associated with climatic conditions, including the potential impact of El Niño-related weather patterns on agricultural production, food security and supply chains across the region. These developments require ongoing monitoring and proactive planning.

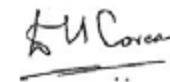
Despite these challenges, the Board remains confident in the resilience of the Group, the strength of its business model and the dedication of its employees. By maintaining our focus on serving customers, enhancing operational efficiency and advancing our sustainability objectives, we believe Choppies is well positioned to create sustainable value for shareholders and stakeholders over the long term.

Appreciation

On behalf of the Board, I would like to extend my sincere appreciation to our shareholders for their continued confidence and support during what has been a demanding year.

I am also grateful to my fellow directors for their guidance, commitment and stewardship as we navigated a complex operating environment. My gratitude extends to the executive management team and employees across the Group whose dedication, resilience and customer focus have been instrumental in sustaining the business throughout the year.

Finally, I would like to thank our customers, suppliers, farmers, communities and all stakeholders for their ongoing partnership and support. Together, we remain committed to building a resilient business that delivers sustainable value and meaningful impact across the markets in which we operate.



Uttum Corea
Chairman

16 September 2026



Who we are

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Board of Directors and
executive management



Taking pride in what we do.

Choppies in a snapshot

Choppies has grown from a home-grown Botswana brand into one of the largest retailers in Southern Africa, with a growing footprint in two other African countries.

Part of every home

From its humble beginnings in Lobatse in 1986, the Group now operates **314** stores across Botswana, Namibia and Zambia comprising **187** grocery retail stores, **95** liquor stores and **32** hardware stores.

354 own-label house brand SKUs	187 confined brands
5 new confined brands launched	10 million shoppers per month at Choppies stores

These operations are supported by seven distribution centres and a workforce of 11 412 employees. As Botswana's largest employer after the government, Choppies plays a significant role in creating employment and developing local talent. We continued to pay the living wage in Botswana and are committed to upskilling our employees and transferring skills to local communities across all the regions in which we operate.

 Please see [P 38 to 66](#) for more information on our people and communities.

Our retail business serves diverse communities through **eight store formats** designed to meet the needs of lower-, middle- and higher-income customers. Choppies supermarkets offer a comprehensive range of groceries, general products and financial services, while liquor and hardware products are sold through our Liquorama and Builders Mart brands.

Our operations extend beyond retail to include milling, tissue conversion, and grain packaging. Supported by strategically located distribution centres and an integrated logistics network, we produce and distribute our own brands efficiently, delivering quality products at affordable prices.

 See [P 11](#) for more details on our offering.

Everything we do is underpinned by a commitment to shared value which shapes our approach to our people, customers, suppliers and all other stakeholders. We show this by providing high-quality, affordable products while creating employment opportunities across our value chain.

Our brand's value proposition

Our compelling value proposition has positioned us as a preferred local retailer in each of our markets. By delivering exceptional customer experiences, value and choice, we drive continuous innovation across our house and confined brands.

House brands account for 22% of products and ensuring a consistent supply is a priority. Last year we introduced Choppies tea in loose-tea format, with tea bags introduced this year and rooibos planned for the future. This year we also introduced new sizes for our bottled water, providing a more affordable and practical option while reducing wastage.

Confined brands allow us to provide more value to customers. We continued with our focus on Lumo, which maintained its position as a trusted, high-value personal care brand.

Unlocking value in partnerships

Working together with our suppliers

We offer small-scale suppliers the opportunity to formalise their businesses as well as a route to market, thereby enabling local manufacturers to invest in product development, knowing there is demand. This, in turn, contributes to further industrialisation within the countries we serve.

Supporting local produce

We support more than 6 300 farmers across all three countries where we operate by sourcing most of our produce locally.

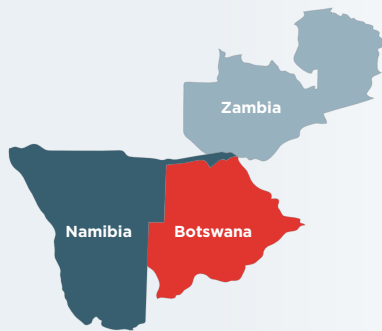
 See [P 57](#) for more details on our partnerships with local farmers.

Across our offerings we form part of every home.

Choppies in a snapshot continued

Delivering fresh, quality products through our efficient in-house logistics network.

Our superior in-house distribution and logistics capabilities ensure we are able to provide consistent quality across all products.



Distribution centres		
Botswana	Namibia	Zambia
5 25 319m ²	1 2 507m ²	1 10 945m ²
Fleet		
Botswana	Namibia	Zambia
456 (2025: 450)	59 (2025: 59)	60 (2025: 38)
Kamoso 116 (2025: 116)		Total 691 (2025: 663)



Our investment case

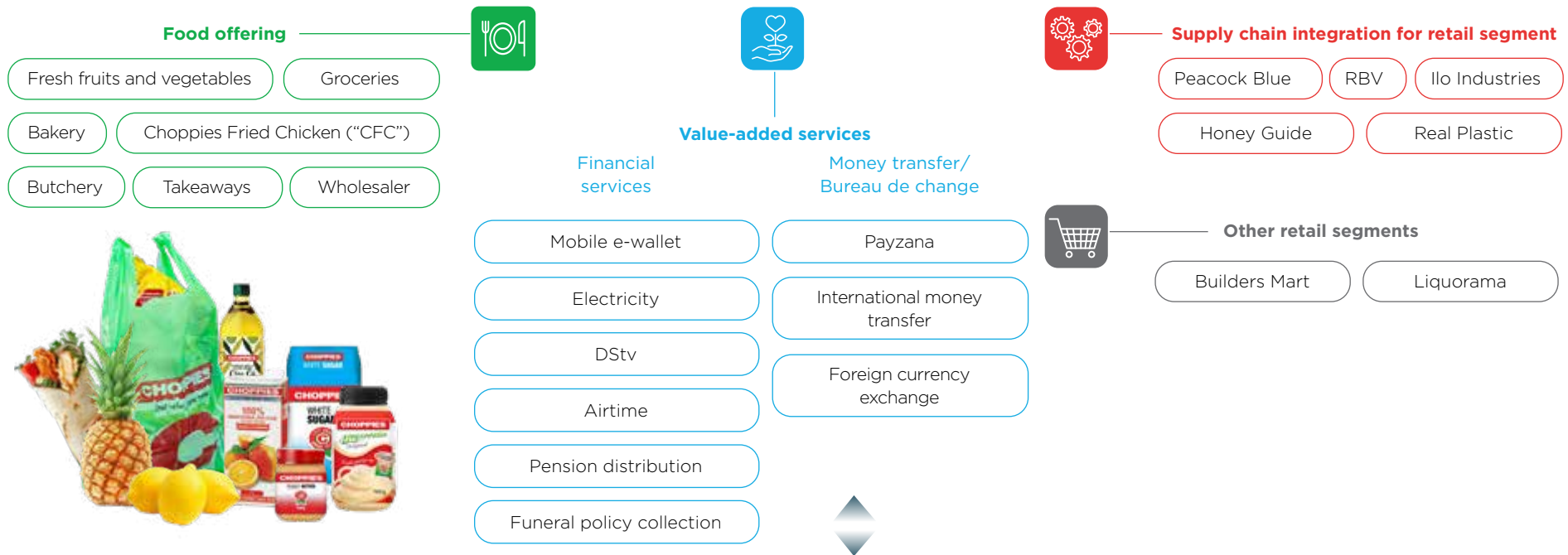
Market-leading and strong brand	Largest private employer in Botswana	Significant market share in regions in which we operate
Strong private-label brand	Economic value creation	Customer and shared-value approach
Political and economic stability in largest market	Past five-year average return on net assets ("RONA") remains well above our pre-tax weighted average cost of capital ("WACC")	Optimised distribution infrastructure and strong operational expertise
Broad consumer market serving all income groups	Diversified earnings in terms of product categories and currency earnings	Strong supplier relationships supporting a sustainable food system
	Digital journey started for paperless retail	Relentless focus on product and service improvement



Freshness and quality.

Our in-store offerings

Through our eight distinct store formats, we cater to the needs of diverse communities, serving customers from lower- and middle-income families to more affluent households.



Our eight store formats



Choppies Hyper

"One-stop shop"

- 3 000m² to 4 900m²
- 15 000 SKUs
- Spacious layout
- Urban areas
- More affluent consumers demanding greater variety.

Choppies Superstore

Broad-range supermarket

- 550m² to 2 300m², average 1 350m²
- Up to 12 000 SKUs
- Full supermarket offering (bakery, deli, fresh produce, financial services)
- LSM 3 to 6 customers.

Choppies Valuestore

Convenience store for immediate needs

- Less than 500m², average 350m²
- 7 500 SKUs
- Based in rural areas with low levels of formal retail
- Target retail consumers in lower-income brackets.

On The Go

Convenience stores within petrol station forecourts

- 2 700 SKUs
- 24-hour access to food and select products including fresh, frozen, canned foods, snacks, ethnic specialties, health and beauty care, household, laundry and toiletry products.

Wholesaler

- Dealers Cash & Carry
- 2 000m²
- 10 000 SKUs.

Hybrid

- Hybrid lines focused on bulk basics
- 354 SKUs.

Liquorama

- Liquor retail and wholesale stores.

Builders Mart

- Building material and hardware retail stores.

Our in-store offerings continued



Food



Food



Fresh fruits and vegetables

We serve our customers good quality fresh fruits and vegetables sourced directly from markets and farmers in Botswana, Namibia and Zambia. We achieve this through a unique fruit and vegetable distribution centre in Botswana which is supported by a sustainable farming community with adequate stock availability and competitive pricing.



Groceries

We provide a range of the best international branded groceries as well as 354 own-label SKUs of Choppies branded products, including confined brands ranging from fresh, frozen, canned, dry foods, snacks, ethnic specialities, health and beauty care, household, laundry and toiletry products.



Takeaways

Our “Store-in-store takeaway” concept offers takeaway food in all Choppies stores. The daily menu is tailored to the customer profile in every location. Items include chips and curries.



Bakery

In-store bakeries provide customers with freshly baked goods daily including bread, cakes and pastries. Offerings differ according to the profile of the store and region.



Butchery

Local supply arrangements with farmers and abattoir owners in all regions ensure regular and consistent supply of fresh meat and poultry.



Choppies Fried Chicken (“CFC”)

Our CFC outlets are available in 85 Choppies stores across three countries. Every On The Go store includes a CFC.



Wholesaler

Wholesale store providing grocery and vegetables including all hybrid lines to dealers and small retailers.



Our in-store offerings continued



Financial services



Value-added/financial services

Provides customers with access to mobile money, airtime, utility payments, bus tickets, foreign exchange and satellite TV subscription.

Mobile recharge

Electricity

DSStv

Monyglob



Supply chain for retail segment



Milling and packaging

Peacock Blue

Milling and packaging of special maize meal, maize rice and samp.



Manufacturing

RBV

Manufacturer of tissue and paper-related products from virgin and recycled paper from its plants.



Food processing and packaging

Ilo Industries

Packager of a number of staple foods such as rice, samp, flour, assorted beans, pulses and dried fruit.



Milling and packaging

Honey Guide

Milling and packaging of sorghum and mixed fowl feeds.



Manufacturing

Real Plastic

Produces bottled water and soda water.



Other retail segment

Liquorama stores

Liquorama is a liquor retail and wholesale operation offering a wide selection of alcohol products ranging from local and international beer to ciders, spirits and wines.



Builders Mart stores

Builders Mart is a leading retailer of a range of building materials and tools, hardware, plumbing materials and electrical items aimed at catering to the middle- and lower-middle-class customer segment with a particular focus on the rural regions of Botswana.



Geographic footprint

Driven by a flexible and resilient business model, our operations are well positioned to generate value across various regions. We hold a strong leadership position in Botswana's retail industry and continue to expand our footprint through our presence in Zambia and Namibia.

Key facts

Contribution per segment

Botswana (FY2026 revenue BWP5 714 million)

Employees	6 840
New stores	7
Stores	118

Namibia and Zambia (FY2026 revenue BWP3 163 million)

Employees	3 429
New stores	6
Stores	69

Liquorama & Rest of Choppies (FY2026 revenue BWP1 378 million)

Employees	1 143
New stores	14
Stores	127

Total employees 11 412

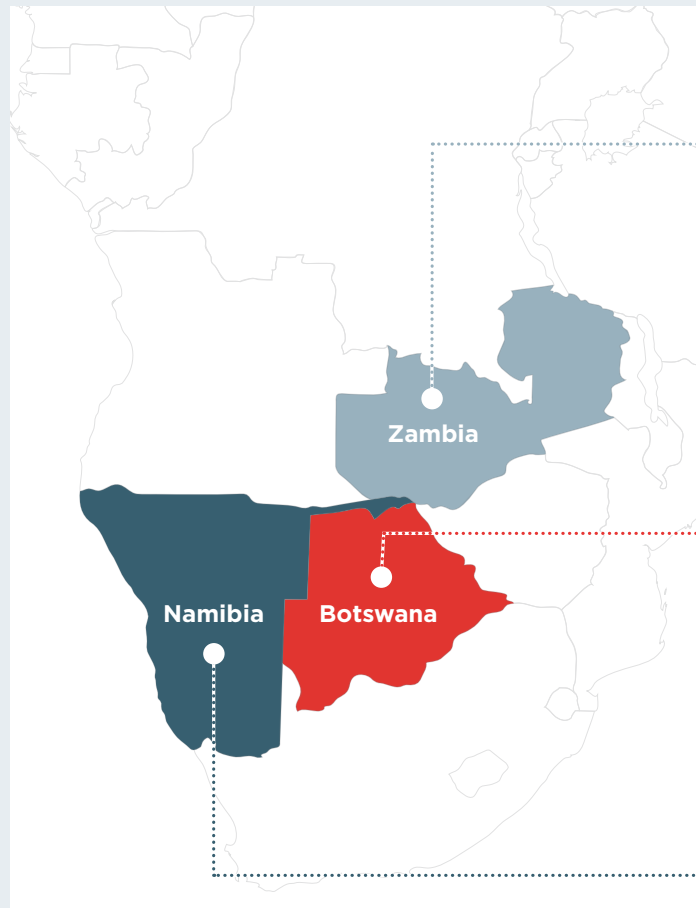
Total stores 314

New stores

Store	Botswana	Namibia	Zambia
Grocery retail	7	1	5
Liquorama	10	-	-
Builders Mart	3	1	-

Split of our space across operations

Space (m ²)	Botswana	Namibia	Zambia
Grocery retail	150 140	37 991	56 167
Liquor retail	20 861	-	-
Builders Mart/ hardware retail	55 753	1 044	-



45 STORES
(2025: 40)

1 DISTRIBUTION CENTRE
(2025: 1)

Zambia

2026	Store	2025
1	Hyper	1
41	Super	38
2	On The Go	1
1	Hybrid	0

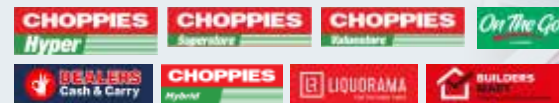


243 STORES
(2025: 223)

5 DISTRIBUTION CENTRES
(2025: 5)

Botswana

2026	Store	2025
4	Hyper	4
67	Super	63
10	Value	13
12	On The Go	8
2	Cash & Carry	1
23	Hybrid	22
95	Liquorama	85
30	Builders Mart	27



26 STORES
(2025: 24)

1 DISTRIBUTION CENTRE
(2025: 1)

Namibia

2026	Store	2025
19	Super	18
5	Value	5
2	Builders Mart	1

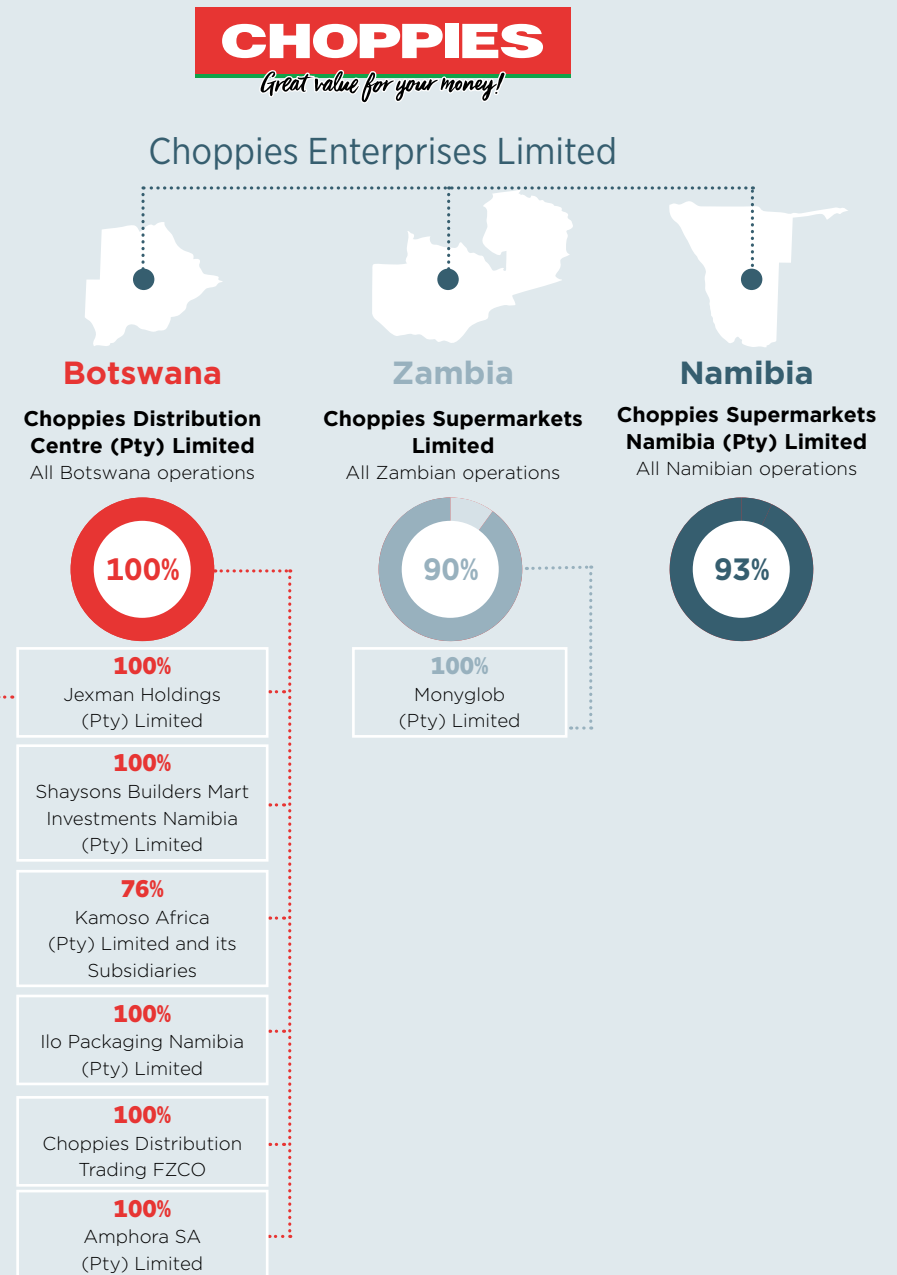




Our timeline



Group structure



Board of Directors and executive management

INDEPENDENT NON-EXECUTIVE DIRECTORATE

Skills brought to Choppies:
Strategic leadership experience across both the private sector and national government, complemented by extensive professional, board, conservation, and vocational expertise.

Uttum Corea (79)
Chairman

**FCA (SL), FCA (Bots),
PIAM (Harvard)**
Appointed:
11 September 2019

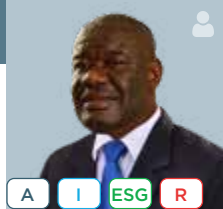


ESG^ N^

Skills brought to Choppies:
Accomplished entrepreneur and private equity professional with extensive board experience and specialised expertise in privatisation initiatives.

**Valentine
Chitalu (62)**

**FCCA (UK), MPhil (UK),
BACC (Zambia)**
Appointed:
5 August 2021

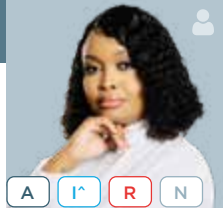


A I ESG R

Skills brought to Choppies:
Extensive investment experience in global institutions, multi-national banking and asset management, with strong HR and board expertise and experience founding a women-owned and led enterprise.

**Carol-Jean
Harward (40)**

BFIN, MBA, CIIA*
Appointed:
6 September 2019

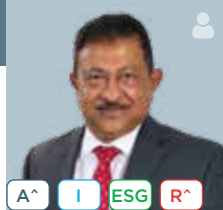


A I^ R N

Skills brought to Choppies:
Professional audit and advisory experience, complemented by extensive board, audit committee, and risk management committee experience.

**Ranjith Priyalal
De Silva (71)**

**ACMA (UK),
FCA (Bots), FCA (SL)**
Appointed:
1 May 2023



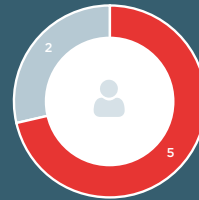
A^ I ESG R^

**Ramachandran (Ram)
Ottapathu (63)**
Chief Executive Officer

**BCom, CA (ICAI),
FCA (Bots)**
Appointed: 2004

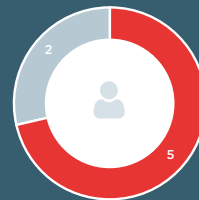


Board diversity



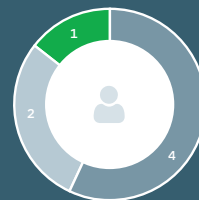
■ Male
■ Female

Board tenure



■ 0 - 7 years
■ 10+ years

Board independence



■ Independent
■ Non-executive
■ Executive



Farouk Ismail (73)
Deputy Chairman

Appointed: 2004



Natalie Graaff (43)

BCom (Law), LLB
Appointed: 20 January 2025



Minnesh Rajcoomar (61)
Chief Financial Officer

**BCom (Hons), CA(SA),
FCA (Bots)**
Appointed: 1 May 2020



Vidya Sanooj (43)
Head of Corporate Affairs**

BCom, CA (ICAI), FCA (Bots)
Appointed: 19 December 2006

** Also holds the positions of Chief Compliance Officer and Head of Investor Relations.

Skills brought to Choppies:
Entrepreneurship and leadership experience, complemented by expertise in retail management, board governance, and vocational development.

Skills brought to Choppies:
Experienced legal professional with expertise in commercial law and the provision of strategic legal advisory services to private sector clients.

Skills brought to Choppies:
Accounting, finance, corporate restructuring, retail and mergers and acquisitions.

Skills brought to Choppies:
Retail accounting, finance, corporate restructuring and mergers and acquisitions.

NON-EXECUTIVE DIRECTORS

SENIOR EXECUTIVES

EXECUTIVE
DIRECTOR



Board member



Audit and risk committee



Investment committee



Environmental, social and governance committee



Remuneration and human resources committee



Nominations committee



Committee chair



Further details of the Board and executive management team are available on <https://choppiesgroup.com/leadership.php>



How we create value

SECTION

03

18

Our strategy

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Business model

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Our value chain

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Our material matters

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Our operating context

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Stakeholder engagement



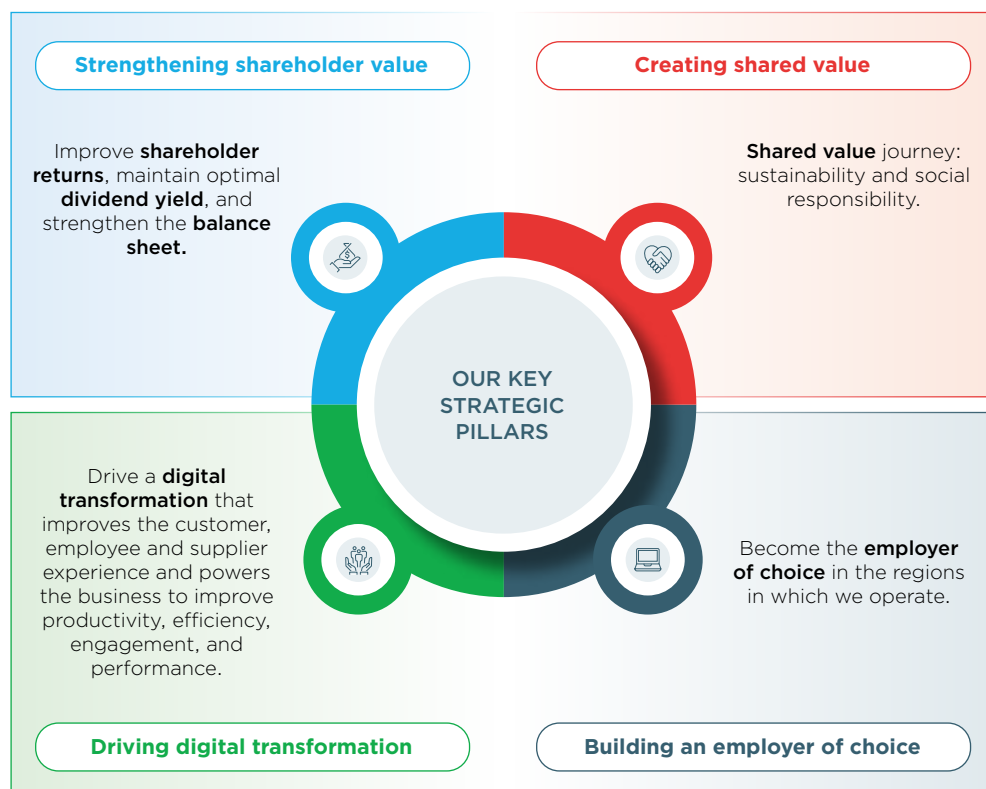
Supporting the communities we serve.

Our strategy

Our strategy is focused on building a sustainable business with a strong balance sheet and an attractive dividend yield through the development of a people-centred, technology-enabled omnichannel retail model.

In delivering on this strategy, we seek to embed the principles of shared value across our operations, creating benefits for all stakeholders, strengthening our competitive position, supporting the communities we serve, and contributing to solutions that address environmental challenges.

We want to be known as a company that cares about and gives back to the communities where we do business. This is underpinned by our commitment to giving the best value and quality to our customers. Our success and growth are inextricably tied to those of all of our stakeholders.



In 2025, our Board approved a new Group strategy which sets out four key pillars, designed to ensure sustainable growth in the long term and value creation for shareholders.

IMPROVE SHAREHOLDER RETURNS, MAINTAIN OPTIMAL DIVIDEND YIELD, AND STRENGTHEN THE BALANCE SHEET	
Strategic pillars	Strategic drivers
<ul style="list-style-type: none"> Enhance business case to achieve: <ul style="list-style-type: none"> higher returns attractive dividend yield strong balance sheet Zero interest-bearing debt. 	<ul style="list-style-type: none"> Improve return on invested capital to WACC + 5% Dividend yield of 5% to 8% Debt to equity of maximum three times (currently at 9.2 times) Export in US Dollars or Euros to mitigate local foreign currency depreciation Efficient capital allocation.
Progress FY2026 <ul style="list-style-type: none"> Dividend yield and returns temporarily impacted by macroeconomics Demand contraction is cyclical Building scale now to capture operating leverage. 	

SHARED VALUE JOURNEY: SUSTAINABILITY AND SOCIAL RESPONSIBILITY	
Strategic pillars	Strategic drivers
<ul style="list-style-type: none"> Create shared value along with the communities in which we operate. 	<ul style="list-style-type: none"> Environment – reduce waste, emissions and improve environmental practices Social responsibility – support local communities through various initiatives and programmes Governance Responsible sourcing and ethical business practices.
Progress FY2026 <ul style="list-style-type: none"> New statutory minimum wage implemented in Namibia BWP2 million invested in CSR. 	

Our strategy continued



DRIVE A DIGITAL TRANSFORMATION THAT IMPROVES THE CUSTOMER, EMPLOYEE AND SUPPLIER EXPERIENCE AND POWERS THE BUSINESS TO IMPROVE PRODUCTIVITY, EFFICIENCY, ENGAGEMENT, AND PERFORMANCE

Strategic pillars

- Drive a digital transformation that improves the customer, employee and supplier experience and powers the business to improve productivity, efficiency, engagement, and performance.

Strategic drivers

- Omnichannel one-stop shopping
- Upgrade systems
- Implement loyalty programme
- Everyday low prices and efficiency
- Optimise supply chain and inventory management
- Cost-effective operations
- Leverage scale
- Data-driven decision-making
- Analyse competition and adapt strategies to stay ahead of the curve
- Build strategic partnerships.

Progress FY2026

- ERP system upgrade for Liquorama segment completed earlier than the expected completion timeline
- Implementation of new Human Resource Management System to commence in FY2027
- Further development and enhancement of own mobile wallet called Payzana
- Artificial Intelligence now being used in routine tasks, complex data analysis, risk management and fraud detection.



BECOME THE EMPLOYER OF CHOICE IN THE REGIONS IN WHICH WE OPERATE

Strategic pillars

- Become the employer of choice with investments in upskilling employees.

Strategic drivers

- Competitive and attractive guaranteed pay with appropriate perks to improve productivity
- Short-term and long-term incentive scheme
- Inspired leadership and high-performing teams
- Healthy workplace culture
- Adequate succession planning.

Progress FY2026

- Two employees received bursaries to study in India
- Graduate programme continued
- A total of 274 candidates benefited from training programme in Botswana. To date, 118 have been absorbed into various positions
- BWP702 million paid in salaries
- New statutory minimum wage implemented in Namibia
- Implementation of new Human Resource Management System to commence in FY2027.



Our strategy continued

Creating shared value

Our approach to shared value remains true to Choppies' success and purpose.

The Group has a vast distribution network, particularly in Botswana, with the intention that 90% of the population should be within a 10km radius of a Choppies store, especially in underserved rural areas. This helps provide access to most citizens as consumers.

We are therefore well positioned to engage in shared value projects with local communities to create economic value in a way that also creates value for society by addressing its needs and challenges. We partner with our suppliers, supporting and encouraging small businesses, including farmers, benefiting Choppies, farmers and customers. Please see **P** 57 to 66 for more information on our engagement with farmers as well as our CSR programme.

Our commitment	What we do	Contributions/objectives achieved	Targets for FY2026	In progress/ achieved	Targets for FY2027
 POPULATION UPSKILLING	<ul style="list-style-type: none"> Train the population throughout the country in basic skills and crafts that can be used to accelerate the productivity of Choppies' employees Partner with universities to provide advanced courses on critical areas for retail such as information technology and retail management. 	<ul style="list-style-type: none"> 1 446 staff members completed training 274 graduates trained in the Choppies Graduates Trainee programme in Botswana Training programme extended to Liquorama and currently has nine graduates who have started the programme 57 people with disabilities employed Two graduates sponsored. 	<ul style="list-style-type: none"> Develop the same model in all regions Improving training programmes in Namibia and Zambia. 	 	Develop the same model in all regions Improving training programmes in Namibia and Zambia.
 CARE FOR THE ENVIRONMENT	<ul style="list-style-type: none"> Develop distributed energy facilities using the stores' roofs and waste that provide energy directly to Choppies and to the community as well as the grid Collect, separate and recycle own waste generated from food, packaging, and others as well as collect from the population and farmers to transport to own or third-party recycling plants or feed local biomass plants. 	<ul style="list-style-type: none"> Eight solar installations in Botswana Solar installation completed in 19 stores in Namibia Eight stores in Botswana running a pilot water recovery system Converted display and upright fridges to energy-efficient models in seven additional stores, and partially in eight additional stores Installed water smart meters and waterless urinals in one store; roll-out to a further 12 stores is planned, which could reduce water consumption in those stores by up to 30%. For more information, please see P 67. 	<ul style="list-style-type: none"> Expansion of solar installation Further reduction of water consumption and green and renewable energy generation in countries in which we operate. 	 	12 additional solar installations.
 DEVELOP LOCAL BUSINESSES	<ul style="list-style-type: none"> Support farmers' growth and quality by providing platforms and knowledge, while offering the necessary financial and technical expertise Use Choppies' spare transportation capacity to help small producers reach new markets and provide the population with access to better products Support local manufacturing and SMMEs. 	<ul style="list-style-type: none"> Increased farmers in Botswana, Namibia and Zambia. 	<ul style="list-style-type: none"> Develop the same model in all regions Strengthening the collaboration with local farmers and entrepreneurs. 	 	Develop the same model in all regions Strengthening the collaboration with local farmers and entrepreneurs.



In progress

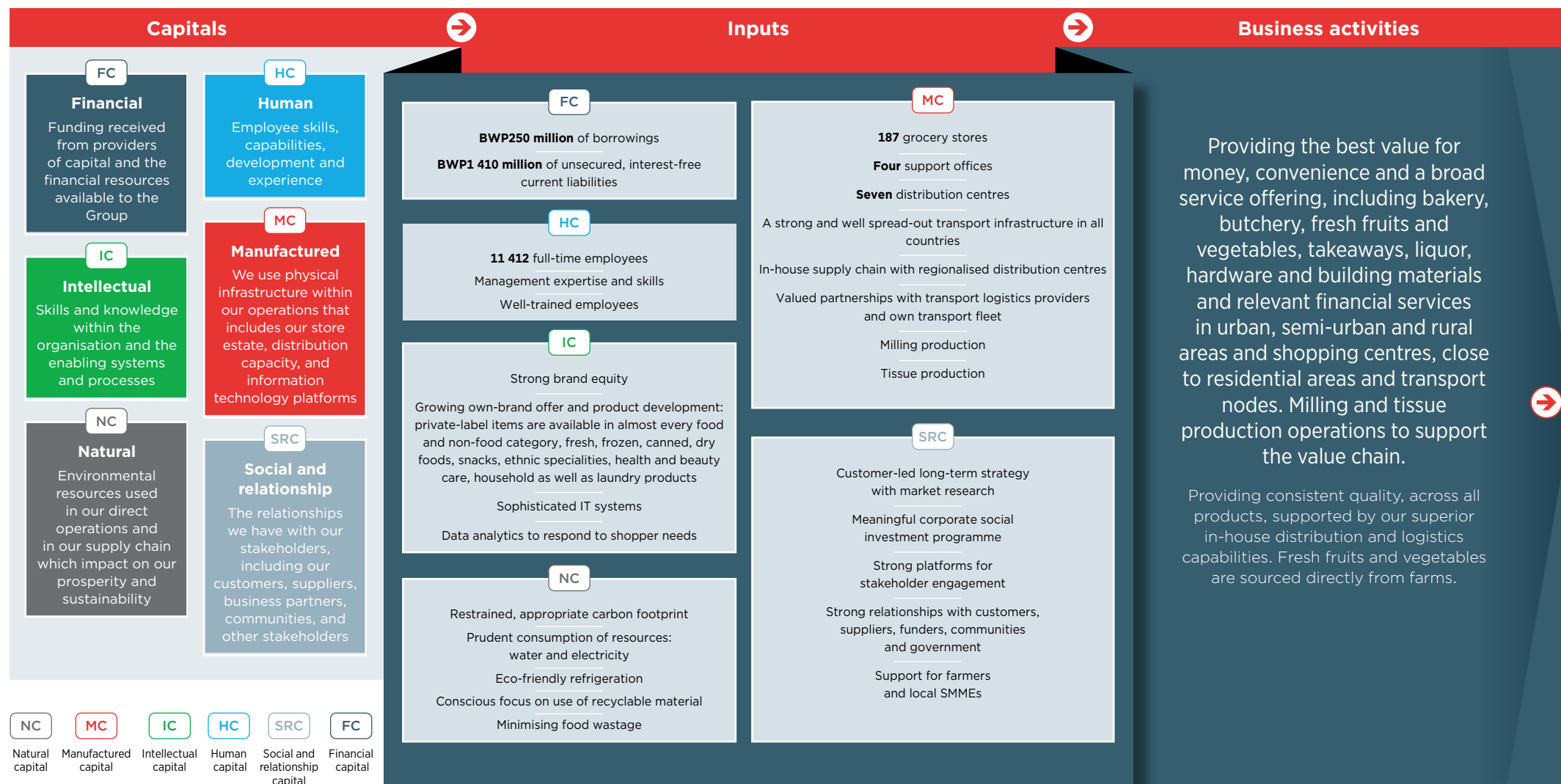


Achieved

Business model

The Group operates as a food retailer, procuring goods through a productive local and global supply chain and offering these products to customers through its chain of retail outlets.

The business model demonstrates the efficient and balanced use of our capitals as defined by the International Integrated Reporting Council's Framework and set out how we create long-term sustainable value for our stakeholders.



Business model continued

Outputs



Trade-offs

FC

- The Group settled in full the consortium debt raised in **2021**
- Net finance cost of **BWP112 million**
- Market capitalisation at **BWP2 718 million**.

HC

- **207** jobs created in FY2026 across Southern Africa
- Providing minimum wage in Botswana and Namibia
- Salaries **BWP702 million**
- Economic upliftment
- Socio-economic development
- Skills transfer to local communities.

IC

- Affordable and fresh groceries in underserved urban, semi-urban and rural areas
- Great value for money for consumers
- Unique merchandise, distribution systems
- Farmers' app.

MC

- In-house maintenance services
- Master database management and contracts with technology services providing for systems support
- Long-term alternative solar energy planning
- Waste management.

NC

- Recycling
- Solar installation at **19** stores in Namibia and eight sites in Botswana
- **96 649 111kWh** grid electricity used
- **443 723 kilolitres** of water used.

SRC

- Business support for local suppliers and landlords - **75%** of fresh produce in Botswana is distributed through Choppies
- Choppies supports small-scale local manufacturers
- Contracted farming fund advances food security for the nation
- Business support with local farmers for buying sheep and goats.

In managing the six capitals, our material trade-offs include:

- Although we value and support local suppliers and local communities, we do rely on higher levels of imported goods and services, including employment of foreign nationals for rare and critical skills
- Determining which operating segment to prioritise in our expansion plans given our limited resources
- While we have set debt reduction as a strategic goal, we may need funding and additional equity to grow the business in the existing segments, expand into other countries, acquire new businesses, and invest in information technology
- We will invest in stockpiling key grocery lines to mitigate price inflation and scarcity to keep our prices low and ensure availability for the benefit of our customers
- We have managed prices due to higher cost inflation, for the benefit of customers and to remain competitive, resulting in a lower gross profit margin, although our longer-term plans are to improve the gross profit margin
- We are planning to embark on an update of most of our systems including a digital journey for a paperless business, all of which may result in a leaner support team in the medium term.



Our value chain

Our commitment to shared value is evident throughout our value chain. From the partnerships with farmers in sourcing our products, through to private-label product development and providing consumers with an offering they want, we create shared value for our communities and everyone along the value chain.

Our value chain

1 Where we source

We work closely with farmers, producers, manufacturers and suppliers to secure quality products at competitive prices. Through trusted partnerships and responsible procurement practices, **we support local value chains, promote supplier growth and ensure a reliable supply of products for the communities we serve.** By balancing local sourcing with strategic imports, we create sustainable value for customers, suppliers and stakeholders.

3 Our distribution

Our distribution centres, warehouses and transport networks form the backbone of our supply chain. **We move products efficiently across our operations to ensure availability, optimise inventory and support consistent service levels.** Through an increasingly integrated distribution model, we improve operational efficiencies and strengthen our ability to serve customers across urban and rural communities.

5 We grow communities

Our purpose extends beyond retail. **We create shared value by supporting employment, developing suppliers, improving access to affordable products and contributing to the wellbeing of the communities we serve.** Through responsible business practices and long-term partnerships, we seek to create sustainable economic value while making a positive contribution to society and the environment.

2 How we add value

We create value through effective procurement, quality management and private-label development. Our scale and operational expertise enable us to **improve efficiencies, expand affordable product choices and maintain the quality standards customers expect.**

Through continuous improvement and innovation, we strengthen our offering while delivering greater value to consumers.

4 Our retail

We provide customers with a trusted and convenient shopping experience through our network of supermarkets and convenience stores. **Our stores offer a broad range of food, groceries, household products and everyday essentials, complemented by affordable private-label alternatives.**

We remain focused on delivering value, accessibility and choice to customers across all income groups.



Our material matters

Our materiality assessment is embedded in the Group's daily management practices.

We regularly evaluate a range of internal and external factors, risks, and opportunities, while actively engaging with key stakeholders who impact our ability to deliver sustainable value.

Material issues are considered from both qualitative and quantitative angles, considering financial, operational, strategic, reputational, and regulatory implications.

In evaluating material matters, we consider macro- and microeconomic trends, our operating environment, technological advancements, regulatory developments, social issues, and evolving customer behaviours and expectations. These matters are reviewed and revised annually in terms of both the magnitude of the effect and the likelihood of occurrence.

Material matters are defined by the Board as issues that have the potential to significantly affect the creation of stakeholder value over the short, medium, and long term.



Material matter



Environmental impact



Digital innovation



Social issues



Economic pressure

Context

Climate change leading to droughts and floods can impact agriculture.

The excessive use of energy, water and plastic and cardboard for packaging has the potential to significantly contribute to waste and pollution.

Digital innovation influences customer engagement, operational efficiency and supply chain agility. It is essential in a fast-paced retail environment.

High unemployment, slow economic growth and high food inflation reduce customer spending power. This results in less spending activity from consumers.

Economic pressure impacts both spending power and operational costs. Volatile markets impact the long-term outlook of the business.

Capitals impacted

NC

Natural capital

MC

Manufactured capital

IC

Intellectual capital

HC

Human capital

SRC

Social and relationship capital

FC

Financial capital

Our operating context

Choppies operates across three diverse markets and therefore places significant emphasis on understanding the factors that influence customer spending behaviour. These insights enable the Group to respond effectively to changing consumer needs, support affordability and accessibility, and enhance the overall shopping experience.

Botswana

Botswana's economy continues to face a challenging operating environment, largely driven by prolonged weakness in the diamond sector, which remains a key contributor to economic activity and export earnings. Economic growth is forecast to recover modestly to 1.6% in 2026 following a contraction in 2025, while inflation is expected to rise significantly as higher fuel and energy prices place pressure on household budgets. Elevated unemployment, constrained government finances and continued pressure on the Pula are expected to weigh on consumer confidence and spending.

Impact on our market

- Pula devaluation has had a knock-on effect on inflation and prices
- Rising inflation is placing pressure on household spending
- Weak economic growth continues to constrain consumer demand
- Cost-of-living pressures are increasing value-seeking behaviour
- High unemployment remains a challenge for consumer spending.

How we responded

- Maintained a strong focus on affordability and value for money
- Expanded own-brand and value product offerings to support budget-conscious consumers
- Optimised procurement and inventory management to mitigate cost pressures
- Continued to strengthen customer value propositions through promotional activity and targeted pricing initiatives.

Namibia

Namibia's economic outlook remains positive, with GDP growth expected to accelerate from 1.7% in 2025 to 2.8% in 2026, supported by improving domestic demand and increasing investment in the hydrocarbons, mining and energy sectors. The country's emerging oil, gas and green hydrogen industries continue to attract significant investment and provide a foundation for long-term growth. However, high unemployment, income inequality and cost-of-living pressures remain persistent challenges. While inflation is projected to remain relatively contained, many households continue to face affordability constraints as economic benefits from large-scale investment projects are expected to materialise gradually.

Impact on our market

- Improving economic activity supports retail demand
- Unemployment and inequality continue to constrain affordability
- Investment activity is creating growth opportunities
- Economic benefits of large-scale investment projects are expected to materialise gradually.

How we responded

- Focused on delivering affordable everyday essentials to customers
- Continued investment in strategically located stores serving growing communities
- Enhanced product ranges to meet evolving customer preferences
- Strengthened operational efficiency to improve value and accessibility.

Zambia

Zambia remains one of the fastest-growing economies in the region, with GDP growth forecast at 5.6% in 2026 and 5.9% in 2027, supported by stronger copper production, improving investor confidence, monetary easing and continued economic reforms. The appreciation of the Kwacha and moderating inflation have helped ease cost-of-living pressures, providing some relief to consumers. Notably, falling food prices, including a 17.5% year-on-year decline in the price of staple breakfast mealie meal, have improved household affordability and supported consumer purchasing power. Despite these positive developments, households remain exposed to inflationary pressures, climate-related risks and fluctuations in commodity markets, which continue to influence spending behaviour and economic activity.

Impact on our market

- Strong economic growth supports consumer spending
- Improved currency stability helps contain cost pressures
- Lower food prices have eased pressure on household budgets
- Climate-related risks may affect agricultural output and food prices.

How we responded

- Continued to strengthen our value proposition across key product categories
- Expanded access to affordable food and household essentials
- Leveraged operational efficiencies to support pricing competitiveness
- Maintained focus on availability and supply chain resilience.

Our operating context continued

Consumers

Consumers across the region continue to navigate a complex economic environment characterised by cost-of-living pressures, unemployment challenges and heightened sensitivity to pricing. Although inflationary conditions have improved in some markets, many households remain cautious in their spending and increasingly prioritise affordability, convenience and value. This has resulted in growing demand for promotional offerings, private-label products and essential goods. Consumers are also becoming more discerning in their purchasing decisions, requiring retailers to balance affordability with quality and product availability.

Impact on our market

- Increased focus on affordability and value for money
- Greater demand for lower-cost alternatives
- Consumers prioritising essential products over discretionary purchases
- Continued demand for convenience and efficient shopping experiences.

How we responded

Customer-centric retail offering

Choppies offers its customers choice at the price they can afford by opening stores that reflect the changing habits and needs of our customers. Since many of our locations are in small rural towns, we have a wide choice of private-label Choppies items as well as well-known brand products to suit any budget. We continuously review our service offering to satisfy the needs of our lower-to-middle-income shoppers.

A people-focused business

Choppies is the largest employer in Botswana after the government and employs the largest proportion of differently abled people. In January 2025, we introduced the living wage in Botswana for all employees and have continued with the initiative. During the year, we expanded the implementation of the minimum wage programme to Namibia, now a regulatory requirement. We are also committed to upskilling our employees and transferring skills to the local communities with a strong focus on localisation across our regions.

House brands and confined brands

The Choppies house brands offer consumers product quality and value for money at an affordable price. In developing our house brands we focus on pricing, quality, affordability and availability. Our own-label products contribute 22% to the business.



Digital advancement

Consumers are increasingly embracing digital technologies as part of their everyday lives, influencing how they discover products, compare prices and engage with retailers. Greater connectivity, increasing smartphone usage and the growing adoption of digital payment solutions are creating more convenient and seamless shopping experiences. As customer expectations continue to evolve, technology is playing an increasingly important role in enhancing convenience, accessibility and overall engagement across the retail environment.

Impact on our market

- Improved convenience for customers through digital payments and transfers
- Increased customer expectations around convenience and service
- Enhanced opportunities to leverage data-driven insights
- Greater potential for operational and supply chain efficiencies.

How we responded

- Commenced with the rollout of the Microsoft Dynamics 365 and human resource management platforms
- Utilised customer and operational data to support decision-making
- Improved systems and processes to enhance efficiency and service delivery
- Strengthened digital capabilities to support evolving consumer expectations
- Progressed our online delivery service
- Applied AI in analysing data.

Stakeholder engagement

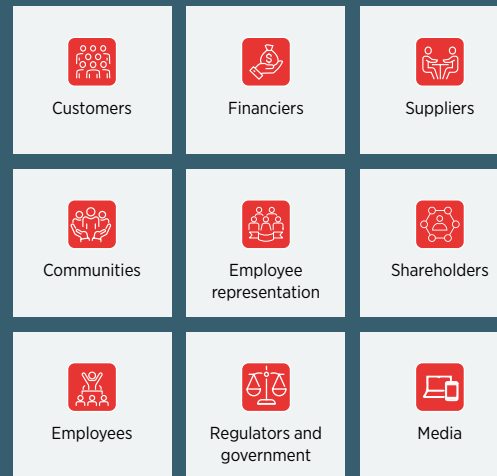
We acknowledge that meaningful stakeholder engagement is essential to creating and sustaining value and contributes significantly to the achievement of our strategic objectives.



Listening to
our stakeholders.

Through ongoing engagement with our stakeholders, we are better positioned to define our business strategy, make informed decisions, and strengthen our performance across economic, environmental and social dimensions.

Key stakeholders



We engage with our stakeholders through a variety of channels and aim to understand our stakeholders' perspectives and needs to align on shared priorities, meet agreed expectations, and keep them informed of our progress.

Engagement helps us:



Improve our awareness
of stakeholders' expectations, aspirations and interests



Strengthen the transparency and accountability through which we have built valuable relationships



Consider stakeholders' concerns and interests when establishing our material issues and strategic response



Our key stakeholders and the issues that concern them are set out on the pages that follow.



Stakeholder engagement continued



Customers



What matters to them

- Value for money
- High product quality
- Convenience – location and trading hours
- Competitive pricing
- High service levels
- Availability and variety of products
- Extensive relationship building
- Back-end promotions
- Value-added services.

How we engage

- Customer-centric business model
- Feedback from customers informs enhancement of products
- Conscious effort to meet expectations where applicable
- Continual product and service quality monitoring
- Facilitation of promotions
- Loyalty programme (Botswana).

Issues raised in FY2026

- Drought and import ban affecting the availability of commodities
- Increase in prices due to Middle East crisis
- Devaluation of the Pula.

How we responded

- Conscious effort to meet expectations
- Tie-ups with local suppliers/farmers
- Facilitation of promotion based on customer demand.



Financiers



What matters to them

- Effective debt reduction and management
- Compliance with various loan covenants and undertakings
- Liquidity management for solvency
- Sustainable growth.

How we engage

- Regular meetings
- Regular tracking of finance covenants
- Repayment of loans in terms of agreed timelines
- Significant reduction in debt.

Issues raised in FY2026

- Interest rate and transactional cost increase
- Reduced liquidity driven by the Botswana diamond market slump.

How we responded

- Regular meetings and negotiations with bankers
- The Group settled in full the consortium debt raised in 2021.

Quality of relationship: Strong Cordial Weak



Suppliers



What matters to them

- Building relationships to ensure business continuity
- Fair pricing, transparent negotiation and transparent agreements
- Partnership for better product development
- Clear communication of expectations
- Effective and efficient administration
- Resource efficiency (including energy, water, waste and logistics)
- On-time payments and quick dispute resolution
- Joint business plans for key suppliers.

How we engage

- Regular contact and maintaining close relationships including joint business plans
- Enterprise and supplier development initiatives
- Implementing and monitoring service level agreements
- Sound commercial contracts
- New product testing and marketing
- Product support for healthy living
- Supplier portal
- Annual Group meeting and dinner.

Issues raised in FY2026

- Suppliers not prioritising delivery to Botswana
- Port congestion and rail network unavailability affecting international supplies.

How we responded

- Regular contact and maintaining close relationships
- Exploring the options of alternative ports.

Stakeholder engagement continued



Employees



What matters to them

- Job security and fair and reasonable working hours (with certainty of hours and shifts)
- Training and development
- Safe working environment
- Competitive remuneration
- Recognition of performance
- Transparent and regular communication
- Wellness programmes and work-life balance
- Sustainable Group performance
- Working for a responsible and ethical corporate citizen.

How we engage

- Regular staff engagement and communication, both at Group and segmental levels
- Training facilitated, based on individual goals and Company-specific requirements
- Staff development initiatives
- Annual appraisals
- Code of ethics
- Whistleblowing function and improved governance policies
- Training to support skills development initiatives.

Issues raised in FY2026

- Skills and career development in a safe and healthy working environment, especially blue-collar employees
- Growth and empowerment opportunities
- Increased cost of living.

How we responded

- Improved training programmes
- Annual appraisals
- Continuation of the living wage in Botswana
- New statutory minimum wage implemented in Namibia.



Shareholders



What matters to them

- Board and management stability
- Earnings and sustainable growth
- Share price performance
- Risk and mitigation strategies
- Payment of dividends
- Diversified footprint and segments
- Strong management team
- Restructuring or selling failing businesses
- Sound governance
- Expanded financial disclosure (including disclosure on key ESG concerns in line with recognised frameworks).

How we engage

- Results releases
- Annual General Meeting
- Regular updates through SENS/X-News
- Integrated Annual Report
- Trading updates
- Website updates
- Roadshows
- Site visits.

Issues raised in FY2026

- Decline in operating profit.

How we responded

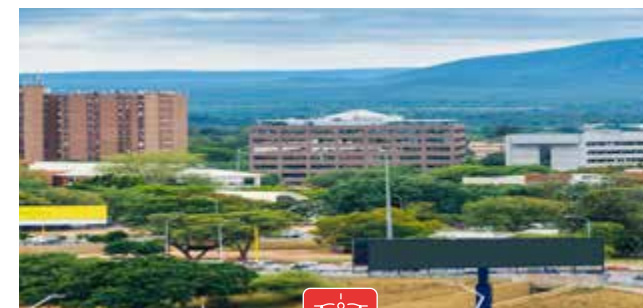
- Regular investor meetings
- Interim dividend payout but no final dividend.

Quality of
relationship:

Strong

Cordial

Weak

Regulators and
government

What matters to them

- Timeous compliance with all relevant laws and regulations
- Transparent reporting
- On-time payment of direct and indirect taxes.

How we engage

- Regular contact with regulator, registrar, BSE and JSE
- Revenue authorities
- Keep abreast of changes in legislation.

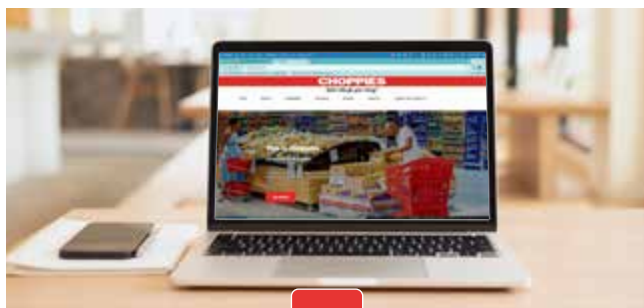
Issues raised in FY2026

- Compliance with regulations.

How we responded

- Regular contact with regulator, registrar, BSE and JSE.

Stakeholder engagement continued



Media



What matters to them

- Understanding the Choppies business
- Integrity of reporting.

How we engage

- Circulation of press releases
- Media alerts through SENS/X-News announcements
- Specific direct engagements.

Issues raised in FY2026

- Unfair and false reporting.

How we responded

- Media alerts through SENS/X-News announcements.



Communities



What matters to them

- Social licence to operate
- Employment opportunities
- Environmental sustainability
- Donating to local upliftment projects
- Shared value initiatives.

How we engage

- Regular review and assessment of CSI projects
- Monitoring implementation of the Group's CSI strategy and projects
- Corporate social responsibility initiatives.

Issues raised in FY2026

- Communities characterised by high unemployment and relatively low income levels
- Increase in costs.

How we responded

- Corporate social responsibility initiatives
- Regular promotions on basic lines
- Contributed to building 82 homes for vulnerable and disadvantaged households
- Birthday bonanza promotion.

See **P** 42 for more detail on our community engagement.

Employee
representation

What matters to them

- Advancing matters of mutual interest
- Change management programmes
- Partnering to effect workplace transformation.

How we engage

- Regular consultation on reward and employment conditions
- Consultation on transformation
- Local economic development and corporate social investment
- Skills development.

Issues raised in FY2026

- Wages, work scheduling practices for full-time and part-time employees, transportation and late trading hours (common features of the retail industry).

How we responded

- Regular consultation on reward and employment conditions
- Add training statistics.

Quality of
relationship:

Strong

Cordial

Weak



How we performed

SECTION

04

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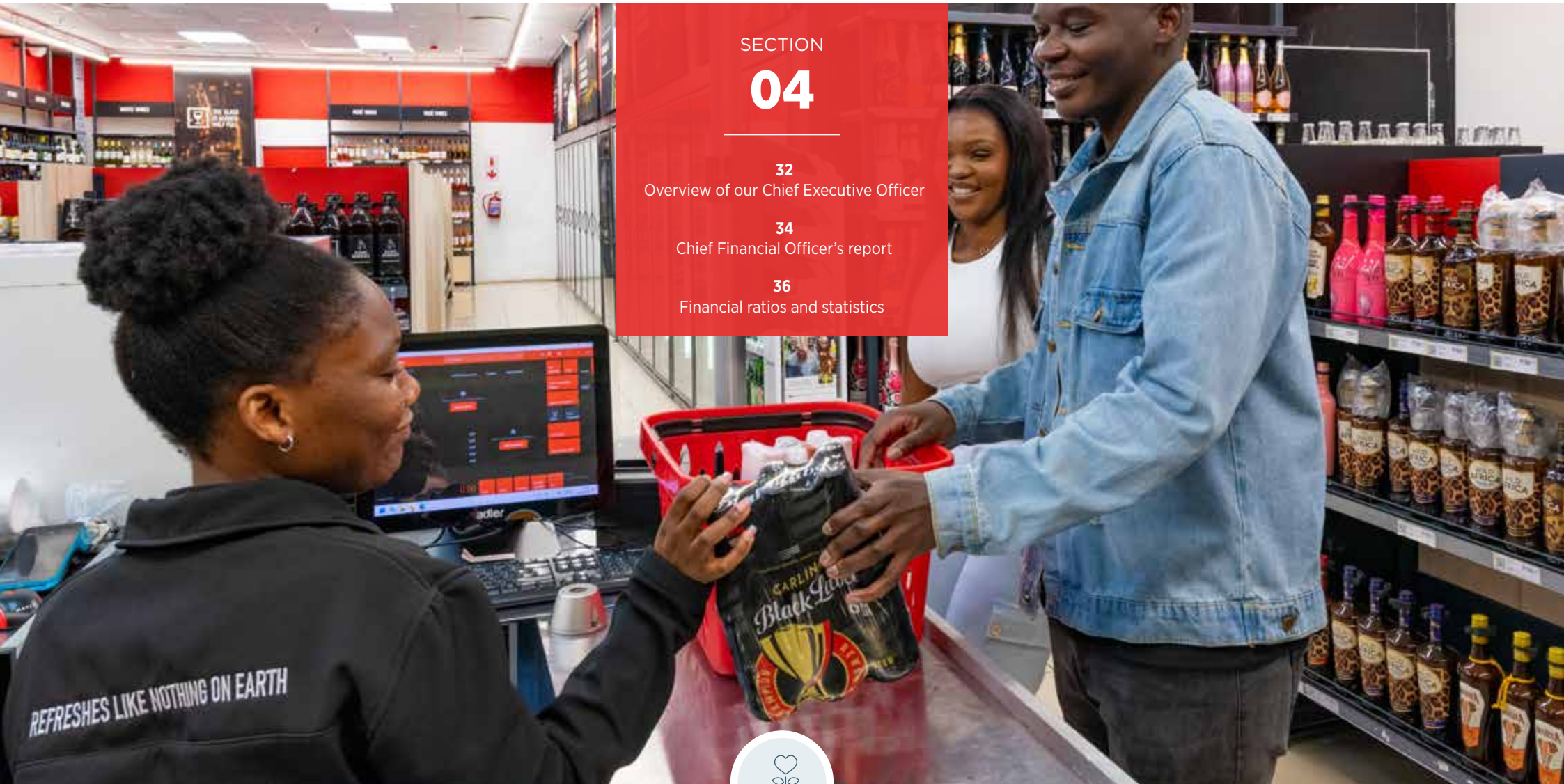
Overview of our Chief Executive Officer

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Financial ratios and statistics



Accelerating digital solutions.

Overview from our Chief Executive Officer

Despite a challenging trading environment across our key markets, Choppies remained resilient and continued to make meaningful progress in executing its strategic priorities during the year.

Our focus remained on strengthening operational efficiencies, advancing digital transformation, investing in sustainability initiatives and enhancing the customer experience, while maintaining our commitment to employees, shoppers, farmers, suppliers, communities and shareholders.

Navigating a challenging operating environment

The year was characterised by difficult macroeconomic conditions in our core markets. In Botswana, a significant economic slowdown placed pressure on consumer spending and retail activity. While trading conditions remained challenging, Choppies Botswana demonstrated resilience and maintained its market position through disciplined execution and an unwavering focus on value for customers.

In Zambia, strong currency appreciation and food price deflation presented considerable headwinds. Food prices declined by roughly 25% to 28%, resulting in lower turnover on a like-for-like basis and impacting profitability. Despite these challenges, Zambia remains an important growth market for the Group, and we continued to expand our footprint, ending the year with 45 stores.

Namibia continued to experience the challenges associated with achieving critical mass. While an additional grocery store and a second hardware store were opened during the year, the business remains below the scale required to generate sustainable returns. We remain committed to growing our presence in Namibia and believe that further expansion will improve operational leverage and position the business for profitability over time.



Advancing our strategic priorities

A key focus area during the year was the accelerated implementation of technology and digital solutions across the Group. These investments are designed to improve operational efficiency, enhance decision-making and support sustainable long-term growth.

We completed the rollout of the Microsoft Dynamics 365 Finance and Operations platform, in Liquorama, with implementation across Choppies planned as the next phase. This represents a significant step forward in modernising our systems and establishing a fully integrated enterprise platform capable of transforming the way we operate.

In addition, we signed agreements for a new Group-wide human resources management platform that will support the digitalisation of employee management processes. The system will enable a more streamlined, technology-driven approach to workforce administration and people management.

The Group also continued to embrace data-driven decision-making by integrating artificial intelligence tools into selected business functions, with management teams already leveraging advanced analytics capabilities to generate insights and improve operational performance.

Our customer-focused digital initiatives continued to gain momentum. The Choppies loyalty programme in Botswana recorded encouraging uptake from customers and is generating valuable customer insights. We are also progressing with the introduction of online delivery services, initially targeting major urban centres before expanding to additional markets and locations.

Overview from our Chief Executive Officer continued

Investing in sustainability and operational efficiency

We continued to make solid progress in our renewable energy journey. During the year, the Group significantly expanded its solar energy capacity in Botswana.

We have eight solar installations which now supply additional energy at participating locations, with excess generation supplied back to the national grid through net-metering arrangements.

The success of these initiatives has reinforced our commitment to renewable energy, and additional solar investments are planned as we continue to reduce our reliance on conventional energy sources while improving long-term operating efficiency.

Strengthening vertical integration

Our strategy of strengthening vertical integration continues to advance. During the year, we commissioned a packing facility and water processing plant in Zambia. While these investments are still in the early stages of operation, we expect them to contribute meaningfully to efficiency gains, product availability and profitability in the years ahead.

Across the Group, our milling, packing and manufacturing operations remained profitable and continued to contribute positively to the business. While performance was below our expectations, these operations demonstrated encouraging progress and established a solid platform for future growth.

Our financial services arm Monyglob performed reasonably well. We await digitisation to expand further across Choppies outlets.

Supporting our people

Our employees remain at the heart of our business and are fundamental to our long-term success. During the year, we expanded the implementation of the living wage programme to Namibia, now a regulatory requirement, reinforcing our commitment to supporting employee wellbeing while ensuring compliance with evolving labour requirements.

We also established a new employee welfare fund in Botswana. Through a combined contribution model involving both employees and the Company, the fund provides financial support to employees and their families during times of bereavement, reflecting our commitment to fostering a caring and supportive workplace culture.

Talent development remains a strategic priority. Our graduate trainee programme continued in Botswana and Zambia and discussions are underway with universities in Namibia to introduce similar initiatives that will help build a pipeline of future leaders and skilled professionals for the business.

Creating value in our communities

We remain committed to making a positive contribution to the communities in which we operate. During the year, our community investment efforts continued to focus on youth development, welfare programmes and support for arts and cultural initiatives.

One particularly encouraging success story has been our support of emerging tennis talent, Malak Macheng, whose achievements earned recognition on the international stage after being selected through international tennis development programmes. Her success reflects the impact that investment in youth development can achieve and reinforces our belief in creating opportunities that extend beyond our stores and operations.

FY2027 outlook

While economic conditions in our markets remain uncertain, we are confident that the strategic investments made over recent years position Choppies well for future growth. Our priorities remain clear. We look to continue our digital transformation journey, expanding renewable energy initiatives, strengthening vertical integration, increasing operational efficiency and growing our presence in key markets.

We remain mindful of the economic pressures facing consumers in Botswana and the deflationary environment currently affecting Zambia. However, encouraging agricultural entities, stable food supply and our continued investment in local supplier and farmer partnerships provide a solid foundation for the future.

As we move into the new financial year, we will remain focused on delivering value to customers, supporting our people, creating positive societal impact and generating sustainable returns for shareholders. Through disciplined execution and continued innovation, we are confident in our ability to strengthen the Group and unlock long-term growth opportunities across our markets.

Appreciation

On behalf of the Group, I thank our management team and employees for their dedication and contribution throughout the year. I also express my gratitude to the Board for its leadership and guidance, and to our customers, suppliers, farmers and communities for their ongoing support and partnership, which continue to underpin our success.



Ramachandran Ottapathu
CEO

16 September 2026

Chief Financial Officer's report

All five operating segments achieved positive EBITDA; Namibia and Liquorama recorded operating losses despite macroeconomic headwinds.

Highlights

- Rest of Choppies segments – turnaround of all segments in progress, but slower than expected due to adverse macroeconomics
- The demand contraction is cyclical, but food retail fundamentals remain intact
- Sales and gross profit values grew over last year
- Consortium debt of BWP82 million was fully repaid
- Building scale now to capture operating leverage.

Statement of profit or loss

The following impacted Group profitability during the year:

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

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



while sales for like-for-like stores decreased by 1.2%. The gross profit margin declined by 0.3% to 20.5% (2025: 20.8%), due to lower margins in all segments except Liquorama and Rest of Choppies. The Liquorama gross profit margin improved from 12.4% to 13.1% compared to the prior year.

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

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

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

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

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

Chief Financial Officer's report continued

Statement of financial position and cash flows

The Group increased non-IFRS 16 debt by BWP60 million to fund new stores, logistics and IT capital expenditure. During January 2026, the Group settled the consortium debt raised in 2021 in full.

Working capital, while still having an inflow of BWP42 million, was lower than last year's inflow of BWP147 million, due to lower purchases as the economy further weakened in the second half.

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

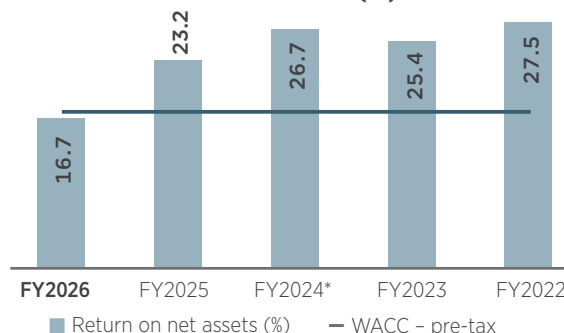
We are managing inventory better as we accelerate the use of our inventory optimisation software. Accounts receivable days reduced as we funded the mobile money wallets externally. Period-end payables are higher than last year due to growth in sales, inflation and new stores, offset by lower purchases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

Shareholders' returns

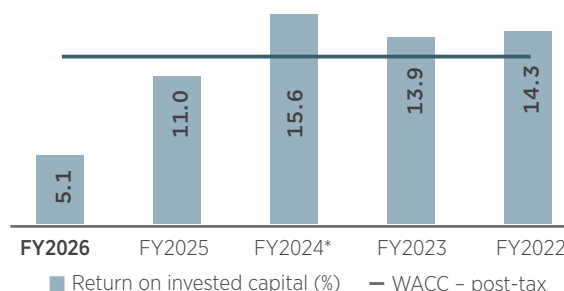
Our returns declined over last year due to domestic economic pressures and global uncertainties.

Our return on net assets ("RONA") at 16.7% (FY2025: 23.2%), dropped below our pre-tax weighted average cost of capital ("WACC") of 16.8%. Our return on invested capital ("ROIC") at 5.1% (FY2025: 11.0%) is below the WACC of 13.1%. We expect returns to exceed WACC in the medium term.

Return on net assets (%)



Return on invested capital (%)



* FY2024 re-presented for sale of Zimbabwe.

Distribution to shareholders

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

Given market conditions, the Board has resolved not to declare a final dividend for FY2026 (2025: 0.6 thebe) and to retain earnings to preserve liquidity for core operations and support the Company's growth plans. The Board remains committed to shareholder returns and will resume declarations as the Group delivers sustainable earnings growth and achieves financial stabilisation.

FY2027 outlook

We expect continued uncertainty in the Southern African economy from global credit conditions, tariffs, Pula devaluation, geopolitical conflict, slower growth, rising energy and commodity prices, supply-chain disruption, volatile markets, employment and consumer confidence.

Botswana has responded with tax reforms (VAT, corporate and personal income tax increases) to manage its budget deficit, while pursuing economic diversification, infrastructure investment and renewable energy to reduce reliance on external shocks. The country retains a stable institutional framework and low corruption, and current demand weakness is cyclical rather than structural – food retail fundamentals remain sound.

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

Our strategic priorities remain:

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

The Board and the executive management team remain confident that Choppies is positioned for sustainable growth and improved shareholder returns.

M. Rajcoomar

Minness Rajcoomar
CFO

16 September 2026

Financial ratios and statistics

		2026	2025	2024	2023	2022
Profit information*						
Retail sales	BWP million	9 822	9 107	7 940	6 433	6 042
Gross profit	BWP million	2 016	1 893	1 621	1 359	1 307
Gross profit margin	%	20.53	20.79	20.42	21.13	21.6
Operating profit	BWP million	243	318	335	274	279
Operating profit margin	%	2.47	3.49	4.22	4.26	4.6
Profit/(loss) for year	BWP million	74	95	136	150	145
Headline earnings/(loss) for year	BWP million	74	171	176	148	162
Financial position information						
Total assets	BWP million	3 138	2 935	2 827	2 177	1 886
Total equity	BWP million	309	224	136	42	(341)
Total liabilities	BWP million	2 829	2 711	2 691	2 135	2 227
Net assets	BWP million	1 542	1 365	1 382	1 129	1 030
Profitability and asset management*						
Return on total assets	%	8.0	11.0	13.4	13.5	15.5
Return on equity	%	23.9	42.4	100	350	Neg ¹
Return on net assets ("RONA")	%	17	23	27	25	27.5
Net asset turn	times	6.8	6.6	6.3	6	5.9
Shareholders' ratios*						
Earnings per share	thebe	4.1	5.3	7.6	10.9	10.7
Headline earnings per share	thebe	4.1	9.4	9.6	11.1	12.4
Dividend per share	thebe	1.0	2.2	3.0	-	-
Stock exchange statistics						
Market value per share ("BSE")						
- At year-end	thebe	149	65	52	64	49
- Highest	thebe	190	65	64	67	60
- Lowest	thebe	65	47	47	49	49
Number of shares issued	million	1 824	1 824	1 824	1 824	1 304
Number of transactions		8 921	2 471	1 113	1 878	2 549
Number of shares traded	'000	105 581	142 540	24 822	44 563	29 129
Value of shares traded	BWP million	195	78	12	21	15
Closing market capitalisation based on issued shares	BWP million	2 718	1 186	949	1 168	639

Notes

¹ Neg - Ratio is negative.

* 2024 numbers are re-presented for discontinued operations.

Definitions

Operating profit margin

Operating profit before interest and tax as a percentage of revenue.

Net assets

Net assets are defined as non-current assets plus trade and sundry debtors plus inventories less trade and sundry creditors (accruals and provisions). For clarification income and deferred tax balances are excluded. Net assets also exclude any cash, interest-bearing liabilities and liabilities relating to leases in terms of IFRS 16.

Return on total assets

Operating profit as a percentage of average total assets.

Return on equity

Net profit attributable to ordinary shareholders as a percentage of closing equity.

Return on net assets

Operating profit before interest and income tax as a percentage of average net assets.

Net asset turn

Revenue divided by average net assets.

Basic earnings per share ("EPS")

Net profit for the year divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings per share ("HEPS")

Headline earnings divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings

Net profit for the year adjusted for profit/loss on sale of property, plant and equipment, and investments.



Our sustainability efforts

SECTION

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Our people

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Our value-creation story

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Our approach to the environment



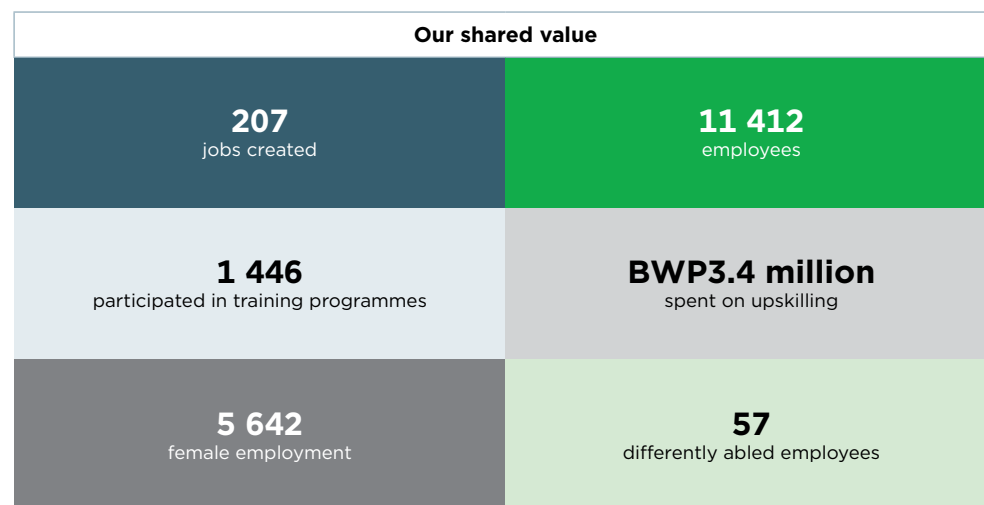
Our commitment to the environment.

Our people

We recognise that our success is driven by the strength, resilience and dedication of our people. This is why we are committed to fostering an environment that supports growth, development and opportunity.

Our people's skills, talent and commitment are at the heart of our customer-focused business, and they are essential to the execution of our strategy and driving the Company's long-term sustainability and growth.

Our commitment to our people is demonstrated through our continued investment into the living wage for all Botswana and Namibia employees. Choppies has positively impacted the lives of employees and their families while reinforcing our belief that business success should translate into improved livelihoods for our workforce.

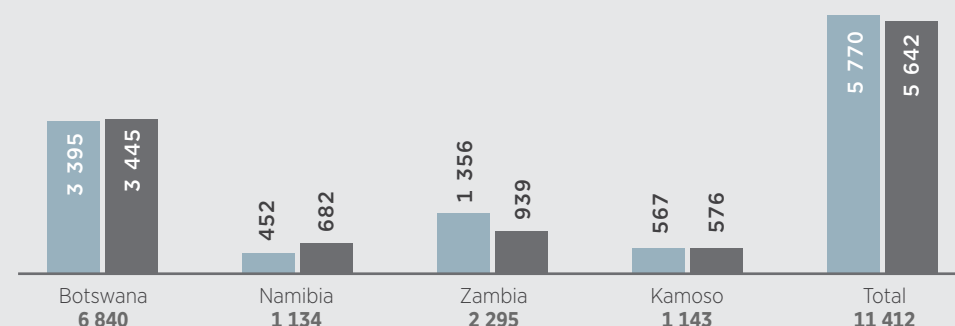


The approach to people during the year focused on employee engagement, consultation and maintaining open communication. Management conducted staff meetings to inform employees about Company commitments and approaches, while also creating opportunities for employees to provide feedback, raise concerns and discuss challenges they were facing. A second round of staff meetings will be conducted to continue consultation and provide feedback on earlier engagements. These discussions are important as they have helped the business and employees reach a common understanding on several raised topics.

We are the largest employer after the government in Botswana, which is why we continue to place a premium on providing excellent working conditions as well as ample possibilities for employee advancement and development.

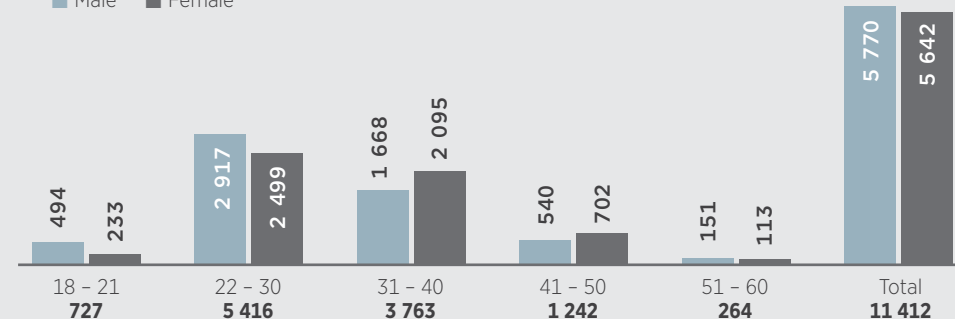
Employees by gender

Male Female



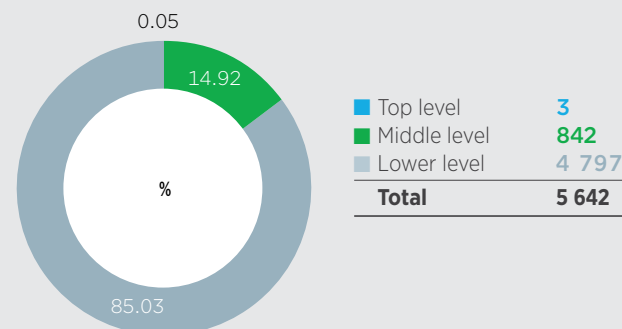
Total number of employees during the reporting period by gender and age group

Male Female

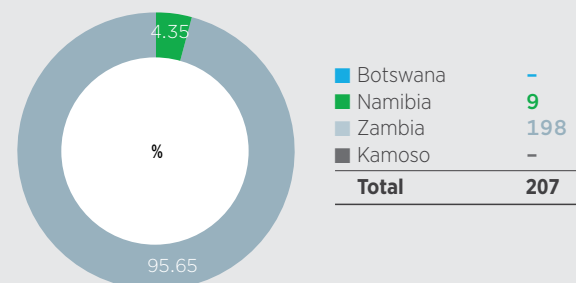


Our people continued

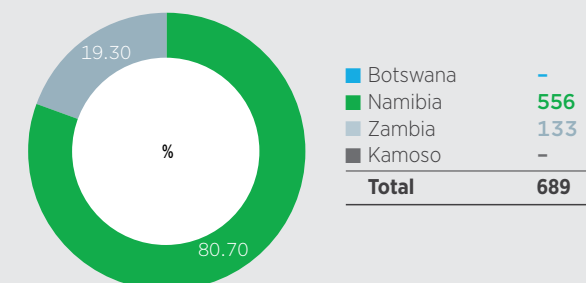
Female representation by job level



Total number of jobs created during the year



Employees represented by unions (6% of total employees)



Disability policy

Inclusivity remains a core principle at Choppies. The Group promotes equal opportunities for all employees, including persons with disabilities, and continues to maintain an inclusive workforce that embraces diversity across gender, nationality, and ability. Although no targeted initiatives were implemented during the year, inclusion remains integrated into the Group's culture and employment practices.

We are the leading employer of people living with disability in Botswana, employing 57 people (29 female and 28 male).

No incidents of discrimination or labour unrest were reported during the year.

Our employees are also part of a pension scheme administered by Alexander Forbes. We as the employer contribute 7% and the employee 6%. Monthly contributions stand at an average BWP2.97 million (employer BWP1.60 million and employee BWP1.37 million). As it stands, the total investment value in this fund is more than BWP178 million.

Skills development and training

Training remains an important focus area, and there are plans in place to ensure future training initiatives align with HRDC requirements. Previous training records and outcomes will be made available to support future reporting and planning.

The graduate trainee programme continues to be part of the Company's development strategy. Graduates from the previous intake completed their programmes and were assessed based on performance and capability with some of the graduates being absorbed into the business. The programme will continue. However, it will be reviewed and revamped, with the intention of aligning it more closely with the approach used in training programmes in Zambia.

The internship programme also remains active. Introduced through a Memorandum of Understanding ("MOU") with the Ministry of Labour and Home Affairs, it supports the national internship programme. The internship programme continues to serve as an important talent pipeline, with several participants progressing into graduate trainee positions and permanent employment within the business.

Choppies continues to invest in youth development through a structured graduate trainee programme delivered in partnership with local tertiary institutions. The one-year programme provides recent graduates with practical workplace experience, retail industry exposure and professional skills development, helping to bridge the gap between academic learning and employment. Participants gain hands-on experience across various business functions, building a pipeline of future talent for the organisation. During the year, 15 graduate trainees participated in the programme and received a stipend from Choppies.

Graduate trainee programme

Choppies runs a year-long graduate trainee programme aimed at developing recent graduates into future leaders within the fast-moving consumer goods ("FMCG") industry. Introduced in 2017, this annual initiative seeks to create retail career opportunities for young graduates while addressing unemployment in Botswana. The programme equips participants with practical workplace experience and enhances their professional skills. Graduates who successfully complete the programme are often hired and promoted to Assistant Manager roles, positioning them to eventually take over roles currently occupied by expatriates.

Our people continued

Supporting employees in post-graduate programme for degrees in India

Choppies also supports formal education and lifelong learning. During the year, two employees from the accounts department were enrolled in studies, with one pursuing a bachelor's degree and the other undertaking a master's degree programme.

Country	Training cost (BWP)	Number of participants	Total training hours
Botswana	3 324 239	1 375	22 000
Namibia	77 747	29	116
Zambia	4 137	42	330
Total	3 406 123	1 446	22 446

Health and safety training hours 7 296

Other training hours 15 150

We also provide on-the-job training on the code of conduct. Each training programme should:

- Be relevant to Choppies
- Ensure measurable outcomes
- Ensure the employee can demonstrate the training learnings at the workplace.

Linked SDGs



SDG 4:
**Quality
education**



SDG 10:
**Reduced
inequalities**

Choppies Think! management development programme

The future success of Choppies depends on our ability to develop capable, confident, and adaptable leaders who can drive performance in a dynamic retail environment. Therefore, our Think! programme is a strategic initiative aimed at bridging the gap between tertiary education and practical management training within the retail sector. The programme will help develop a strong team of managers, equipped with the necessary skills, knowledge, and competencies to effectively lead and manage all divisions of Choppies retail business in multiple geographies.

Eligibility for the programme extends to both external graduates and internal talent. Candidates include recent graduates from accredited universities within the relevant region who have achieved a minimum of 50% in their qualifying examinations, as well as existing employees who have demonstrated sustained performance, commitment, and competence, and who have completed at least three consecutive years of service with the Group.

Shortlisted candidates are trained across all Choppies departments, providing them with hands-on experience, professional confidence, and real-world exposure needed to thrive in a retail environment. During the programme, the trainees will be paid an all-inclusive stipend aligned with the industry standards.

The programme is overseen by a dedicated programme coordinator, while each department head appoints a senior manager to serve as a mentor. Mentors provide guidance and support throughout departmental rotations, facilitating skills development, knowledge transfer, and professional growth. They also help participants gain practical insights into departmental operations and reinforce expected standards of conduct, performance, and leadership.

Upon successful completion of the programme, participants will be placed on a six-month probation period before being confirmed in a permanent role with the appropriate grade and remuneration. During this period, trainees will be assigned to departments aligned with their interests, skills, and the operational requirements of the business, providing practical experience and supporting their transition into management roles.

The Think! programme was successfully launched in Zambia, with the event officiated by the Minister of Youth, Sport and Arts, Hon. Elvis Nkandu. The launch was further strengthened through an MOU with the University of Zambia, with Vice-Chancellor Professor Mundia Muya noting that the partnership will provide graduates with valuable industry exposure while supporting skills development and contributing to national economic growth.



Our people continued

Local employment and inclusion

Creating local employment remains a priority and Choppies looks to promote local recruitment before sourcing talent externally. An example of this was the ongoing Microsoft D365 project, where project facilitators recruited to support implementation were predominantly local employees. We view this as evidence of our commitment to local employment and skills development. Local representation is also reflected at store management level, where management positions are largely held by local employees.

The Company also continues its commitment to inclusivity. This includes maintaining opportunities for people with disabilities and promoting inclusion regardless of gender, ability, nationality or background. While no specific campaigns aimed at increasing representation were implemented during the year, Choppies described inclusion as a general principle embedded within the organisation.

Linked SDGs



SDG 1:
No poverty



SDG 5:
Gender equality



SDG 8:
Decent work and economic growth



SDG 10:
Reduced inequalities

Employee wellbeing

Employee wellbeing remained a key focus during the year. Choppies concluded an agreement to introduce life cover and disability-related benefits for employees, with communication and implementation processes underway. The Group is also exploring the introduction of an employee of the month recognition programme to acknowledge and motivate employees. The initiative is expected to be piloted in selected high-performing stores before being rolled out more broadly across the business.

Eye-care benefits

In support of employee wellness, Choppies partnered with an external provider to offer eye-care services, including eye tests and discount vouchers providing employees with 25% off consultations, prescriptions and eyewear. The initiative sought to improve access to healthcare services and support overall employee wellbeing.

Welfare fund

The Group established a new employee welfare fund in Botswana, funded through employee contributions of 10%. The fund provides financial assistance to employees' families in the event of a death and serves as an important support mechanism, particularly for employees who may not have access to private insurance cover.

Linked SDGs



SDG 3:
Good health and well-being



SDG 8:
Decent work and economic growth

Health and safety

Choppies is committed to ensuring the health, safety and welfare of its employees. We subscribe to a zero-harm policy and are committed to preventing accidents that may affect our employees, customers, equipment or facilities. We train our staff on occupational health and safety, including training on first aid and managing processes for various injury scenarios. There were no major accidents or injuries during the year. As the number of injuries is minimal, the lost-time injury frequency rate is not material.

A safety, health and environment ("SHE") policy approved by the Board is in place and reviewed regularly. Choppies has again engaged Encyclo Investment (Pty) Limited to conduct an external review of hygiene.

A team of 35 personnel continually monitors operations and sanitary standards through video surveillance. Action is taken as soon as an incident is identified. Each store has a dedicated SHE representative who receives specific SHE training. Staff also receive occupational health and safety ("OHS") training.

Linked SDGs



SDG 3:
Good health and well-being



SDG 8:
Decent work and economic growth

Whistleblowing

We have a whistleblowing system in place with a 24-hour hotline number managed by an independent third party.

During the year, we received a total of 86 complaints. All complaints received were addressed.

Linked SDGs



SDG 16:
Peace, justice and strong institutions

Our value-creation story

At Choppies, we recognise that our long-term success is linked to the wellbeing and prosperity of the communities we serve. The Group adopted a flexible and responsive approach to community investment, broadening the scope of support beyond its traditional corporate social investment (“CSI”) focus areas to respond to emerging community needs.

Community engagement remains a cornerstone of the Group’s social impact strategy with a strong commitment to creating shared value reflected by our investment in local farming businesses (see P 57 to 66) job creation, maintaining a living wage and our extensive graduate and intern trainee programmes (see P 39 to 40).

Our community outreach initiatives also address the following areas:



Housing – we support this through the National Housing Appeal as an area of great need given the scale of hidden poverty in Botswana.



Disability – previously we chose a different disability to champion each year. This year we are supporting the Botswana Council for the Disabled, which represents persons with disabilities in Botswana.



Sports – we support a variety of athletes and sports disciplines with a focus on sports development.



The **less privileged** – we commit to supporting several worthy causes throughout the year.



Our commitment to creating shared value extends beyond our commercial operations and is embedded in the way we engage with our communities.



SDGs impacted



SDG 3:
Good health and
well-being



SDG 4:
Quality education



SDG 10: Reduced
inequalities



SDG 11:
Sustainable cities
and communities

Our value-creation story continued

Housing development



Housing remains the Group's flagship CSI initiative and one of its most impactful community investments. Through its long-standing partnership with the National Housing Appeal, established in 2008, the Group has contributed to the construction of 82 homes for vulnerable and disadvantaged households. The programme prioritises beneficiaries facing significant socio-economic challenges, including elderly individuals, female-headed households, grandparents caring for orphaned grandchildren, persons living with disabilities and families residing in challenging living conditions. The initiative seeks to provide beneficiaries with secure and dignified housing, thereby improving quality of life and long-term household stability.

Beneficiary identification and verification are conducted in collaboration with government structures, social workers and community stakeholders, ensuring that support is directed towards communities most in need. These developments are all outside Gaborone and in remote areas.

Our target is to build 142 houses in the medium to long term.

Poverty alleviation and food security



Supporting vulnerable households through poverty alleviation initiatives remained a major area of focus during the reporting period. Choppies provided food aid to vulnerable communities across Botswana as part of its ongoing community support initiatives. Assistance was directed towards individuals and families experiencing hardship with programmes designed to address immediate community needs and improve overall wellbeing. Food parcels were the second-largest category of poverty-alleviation support during the year, after housing. These interventions contributed to household food security while helping communities meet immediate basic needs.

Youth development and skills empowerment



The graduate trainee and internship programmes are designed to provide young people with practical workplace experience and opportunities for long-term career development. Through partnerships with government institutions and academic organisations, Choppies continues to create pathways for youth participation in the formal economy. Several graduates and interns have successfully transitioned into permanent employment opportunities within the Company, demonstrating the effectiveness of these programmes in enhancing employability and building future talent pipelines.

Support for the differently abled



The Group remains committed to promoting inclusion and supporting organisations that advocate for and serve persons with disabilities. Rather than focusing on a single disability category, the Group adopted a more inclusive approach by supporting representative bodies serving persons with multiple forms of disability. During the year, support was directed towards disability-focused non-profit organisations, council for the disabled and arts communities that work to improve accessibility, inclusion and quality of life for persons with disabilities. This strategy enabled a wider range of beneficiaries to access support and ensured a more equitable distribution of resources across disability sectors.

Arts, culture and heritage



Choppies continued to support arts, culture and heritage initiatives that contribute to social cohesion, cultural preservation and community identity. Support was provided to artists, musicians, choirs and other cultural organisations, helping to sustain creative industries and encourage community participation in cultural activities. Choppies also contributed to initiatives aimed at preserving and promoting linguistic and cultural diversity by providing radio and TV airtime for a national campaign aimed at increasing the use and visibility of indigenous languages in the media.

Sport development



In its efforts to nurture and develop young talent, Choppies remained committed to supporting sport as a vehicle for youth development, social inclusion and community engagement. Support was provided to various sporting codes, including football and athletics. During the reporting period, the Company supported promising young sporting talent, contributing to opportunities for athletes to compete and gain international exposure. Our rising tennis star Malak Macheng was selected by the WTA to compete in Tunisia and was featured in an interview on CNN, which provided international exposure for both the athlete and the Group's commitment to youth empowerment.



Our value-creation story continued

Community infrastructure support



Recognising the importance of shared community spaces, Choppies assisted with the development and maintenance of facilities used for community gatherings. These facilities, such as the cultural town hall, support social interaction and community engagement by providing venues for meetings, celebrations and community-based events. By working closely with village leadership structures, the Group contributed towards strengthening community cohesion and supporting local social infrastructure, particularly in communities facing economic constraints that limit their ability to independently fund such facilities.

Partnerships with non-governmental and community organisations



The Group continued to collaborate with a variety of non-governmental organisations, community-based organisations and charitable entities that provide critical social services. Financial and non-financial support was extended to organisations working within communities, enabling these partners to continue delivering services and programmes that address social challenges. Community support initiatives included assistance to organisations working in welfare, community development and humanitarian programmes. The Group recognises NGOs and community organisations as important partners in extending the reach and impact of social investment activities.

Supporting communities through accessibility



Choppies has an extensive distribution network, particularly in Botswana, with the goal of ensuring that 90% of the population lives within 10km of a Choppies store. This commitment improves access to affordable groceries and fresh produce, especially for underserved and rural communities. By bringing stores closer to where people live, Choppies helps ensure that families have convenient access to everyday essentials and quality fresh fruit and vegetables, supporting healthier lifestyles and reducing travel costs.

Our strong local presence also enables us to partner with communities through shared value initiatives that create both economic opportunities and positive social impact. Supporting local businesses remains a key priority, with 85% of suppliers sourced locally in Botswana and only 15% sourced internationally. This approach strengthens local supply chains, promotes economic growth, and reinforces our commitment to the communities we serve.

Faith-based and religious community support



During the year, the Group expanded its community investment activities to include support for faith-based organisations and religious institutions. Donations were provided to churches and other religious entities engaged in community service activities. This represented an emerging area of social investment and reflected the important role played by faith-based organisations in supporting vulnerable community members and delivering social support services.

Sustainable farming collaborations



Agriculture remains an important contributor to livelihoods and economic activity within many communities. For this reason, the Group continued supporting agricultural and farming-related initiatives through participation in and sponsorship of agricultural events and farmer-focused programmes. These engagements contribute towards strengthening relationships with farming communities and promoting agricultural development.



See [P 59](#) for further detail on how we support farmers.

Our value-creation story continued

Big birthday bonanza

The Choppies Big Birthday Bonanza was launched in 2003 as a customer-reward initiative. Over more than two decades, it has evolved from a relatively small vehicle giveaway into a large-scale annual promotional and customer-loyalty campaign featuring vehicles, cash, shopping vouchers, household assets and entrepreneurship-focused prizes.

A new direction for 2025/2026

The latest edition represents perhaps the biggest strategic change. Instead of making a luxury vehicle the grand prize, Choppies introduced a fully furnished two-bedroom house in Block 6, Gaborone as the headline prize.

Grand prize

- A fully furnished two-bedroom house
- Winner: Montisetsi Lekote.

The house was furnished by Furnmart, while Viper Security provided one year of home security.

Vehicle prizes

- 10 Suzuki Carry/Super Carry vans
- Four Toyota Hilux single-cab bakkies.

Our journey began in 2003 and has evolved significantly over the years. In 2025/2026, the Bonanza reached a new milestone with the gifting of a fully furnished home and business-focused vehicles, demonstrating how the initiative has continuously adapted its value proposition while remaining true to its core promise of rewarding and empowering customers.

How our bonanza has evolved over the years



Our value-creation story continued

SHARED VALUE IN ACTION

Community stories



Mogobane 1975 community group

Choppies supported the Mogobane Village 1975 Community Group by providing refreshments, water, and Sprinterade energy drinks for an event organised to celebrate the 50th birthdays of underprivileged community members.

WUSA cycling campaign against gender-based violence

Choppies supported a cycling campaign organised by WUSA aimed at raising awareness of, and sensitising communities to, gender-based violence by providing refreshments. The campaign was held against the backdrop of rising cases of gender-based violence and related murders in the country.



Chichi Hill CJSS annual Motsenekatse Heritage Hike

Choppies provided refreshments for participants during the annual Motsenekatse Heritage Hike at Chichi Hill CJSS. This contributed to the success of the event and enhanced the cultural and educational outdoor experience for participants.

Dithubaruba Cultural Festival

Choppies supported the annual Dithubaruba Cultural Festival by providing refreshments to participants. The festival was created to preserve and celebrate the heritage and cultural traditions of the Bakwena community in Molepolole Village.



Donation to Ministry of Local Government and Traditional Affairs Department of Tribal Administration

Choppies supported the national cultural calendar by donating refreshments to the Dikgafela Cultural Festival, an event organised by the Ministry of Local Government and Traditional Affairs Department of Tribal Administration.



St John Block 9 Church

Choppies assisted St John Block 9 Church with refreshments during the annual Feast of Burnt Offerings, in support of a key spiritual and community gathering.

Our value-creation story continued

SHARED VALUE IN ACTION continuedCommunity stories continued

Takatokwane Constituency house donation

Choppies donated a fully built house to a deserving family in Takatokwane Constituency as part of its community support and the National Housing Appeal initiative.



Phakalane UCCSA Clean-up Campaign

Choppies supported the Phakalane UCCSA Clean-up Campaign by donating five cases of water and four bags of oranges to the community initiative in Phakalane. The contribution supported participants involved in the clean-up effort and contributed to the success of the campaign.



Barwagodumo heritage gala dinner

Choppies supported the Barwagodumo heritage gala dinner hosted by the Bamalete Tribal Administration with financial sponsorship and with refreshments, contributing to the success of the cultural celebration.



Botswana Defence Force Air Arm - Thebephatshwa Air Base ("TAB") research

Choppies supported the Botswana Defence Force Air Arm by providing snack packs and four cases of water for TAB research activities.



Elderly Service Day

Choppies supported the Molepolole South Constituency Elderly Service Day by donating 10 cases of water, contributing to care and wellbeing activities for senior citizens.



A house for the underprivileged in Goodhope

Choppies supported the National Housing Appeal initiative by donating a house to an underprivileged family in Goodhope under the Goodhope-Mmathethe Constituency. The donation was made in collaboration with a local Member of Parliament as part of the government-led initiative aimed at improving access to housing for vulnerable families.

Our value-creation story continued

SHARED VALUE IN ACTION continuedCommunity stories continued**Pop artist ATI's funeral**

Choppies donated grocery items in support of the funeral of ATI, contributing to the needs of the bereaved family and community during the memorial service. ATI was one of Botswana's most prominent pop artists and the support reflected Choppies' commitment to standing with communities during times of loss and remembrance.

**Tshidi-Barolong Tribal Administration Leobo La Barolong refurbishment**

Choppies sponsored the official Leobo unveiling by assisting the Barolong administration with funds to renovate their community gathering area and for the official event.

Department of Broadcasting Services Language Diversity launch

Choppies donated 12 cases of Choppies-branded water to support the Language Diversity launch hosted by the Department of Broadcasting Services. The government-led initiative aimed to broaden the language scope of learners in public schools and promote multilingual learning and cultural diversity.

**Mahalapye Constituency Office**

Choppies supported the Mahalapye Constituency Office by assisting with the printing of strategic plan documents for the launch of a village development strategy aimed at enhancing Mahalapye's socio-economic structure.

**Oodi Community Development Trust high tea fundraiser**

Choppies sponsored tickets for the high tea fundraiser hosted by the Oodi Community Development Trust.

**Moruakgomo JSS Molepolole prize-giving ceremony**

Choppies supported the prize-giving ceremony at Moruakgomo JSS by donating five cases of water. The ceremony recognised and celebrated the school's best-performing students for their academic achievements.

Our value-creation story continued

SHARED VALUE IN ACTION continued

Community stories continued



Ramotswa Police Station Crime Prevention Motshelo operation

Choppies supported the Crime Prevention Motshelo operation at Ramotswa Police Station by donating biscuits and five cases of water.



Takaruwe Culture Day for the Ovaherero community

Choppies donated refreshments and snacks in support of the Takaruwe Culture Day hosted by the Ovaherero community. The event celebrated the heritage, culture and traditions of the Ovaherero and promoted cultural inclusion and recognition of a historically marginalised group.



Motswedi Congregational Church of Southern Africa Kanye sponsored walk

Choppies donated five cases of water in support of the sponsored walk which took place in Kanye hosted by the Motswedi Congregational Church of Southern Africa.



Kgosi Bathoen II Memorial Museum Pharing Chronicles heritage hike

Choppies donated water and energy drinks in support of the Kgosi Bathoen heritage hike, an event that takes place annually.



Princess Marina Hospital breast and prostate cancer commemoration

Choppies donated six cases of water in support of the breast and prostate cancer commemoration event held at the Princess Marina Hospital.



Botswana Association of Tribal Land Authorities

Choppies supported the Botswana Association of Tribal Land Authorities (BATLA) through financial sponsorship, strengthening engagement with land governance stakeholders.

Our value-creation story continued

SHARED VALUE IN ACTION continuedCommunity stories continued**Operation Pabalesego by Botswana Police Service**

Choppies supported Operation Pabalesego, led by the Officer Commanding No. 13 district, by providing seven cases of water. This was for the holiday patrol and safety campaign.

**Choppies donates to UCCSA Kopong**

Choppies donated five cases of water to church activities held in celebration of the Kopong UCCSA church anniversary.

Gaborone West Police Station community joint patrol

Choppies donated 10 cases of water to support the Gaborone West Police Station community joint patrol. This is done on a regular basis to combat crime in various areas in Botswana.

**Ga-Ranta ward community watchguard**

Choppies donated five cases of water in support of community activities organised by a ward in Molepolole. The activities provided a platform for community members to discuss key social issues, including crime, gender-based violence and unemployment.

**Bamalete Tribal Administration**

Choppies provided snacks and drinks in support of community activities in the Bamalete community. The support formed part of a community outreach programme aimed at addressing youth unemployment and promoting community development initiatives.

**National Assembly end-of-year team building**

Choppies sponsored the National Assembly's end-of-year team-building event. This was in support of the legislative structure of government.

Our value-creation story continued

SHARED VALUE IN ACTION continued

Community stories continued



Ministry of Water and Human Settlement

Choppies made a donation for activities undertaken by the Ministry of Water and Human Settlement. This was in support of efforts by the ministry to assist underprivileged members of the community.



Ntlhantlhe UCCSA

Choppies donated five cases of water to support UCCSA Ntlhantlhe branch in celebration of their 10-year anniversary.



Undefined Lifestyle community charity walk

Choppies donated 10 cases of water in support of Undefined Lifestyle's community charity and walk to raise awareness of the fight against non-communicable diseases.



Ministry of Youth and Gender Affairs

Choppies supported the Ministry of Youth and Gender Affairs by procuring 10 tickets to the World Relays for underprivileged youth. The tickets enabled young people who would not have had the opportunity to attend the event to participate in and experience an international sporting occasion.

Mmokolodi Intal Choir

Choppies supported the Mmokolodi Intal Choir by sponsoring transport and food for the choir's participation in a competition. The sponsorship included BWP1 200 for transport and BWP1 000 for food.



A house for an underprivileged family in Dutlwe

Choppies donated a house to an underprivileged family in Dutlwe in support of the National Housing Appeal initiative established by the government. The donation contributed to improving access to housing and enhancing the wellbeing of a vulnerable household in the Takatokwane Community.



Our value-creation story continued

SHARED VALUE IN ACTION continued

Community stories continued



Kgomotso Tshwenyego Memorial Service

Choppies donated grocery items in support of a memorial honouring Kgomotso Tshwenyego. The memorial service celebrated Tshwenyego's life and legacy as one of Botswana's prominent television personalities. She contributed to the country's television industry for more than two decades.



School infrastructure groundbreaking ceremony

Choppies donated grocery items in support of a school infrastructure groundbreaking ceremony in the Serowe North Constituency. The ceremony marked the commencement of efforts to rehabilitate and improve dilapidated school infrastructure, contributing to a better learning environment for learners and educators.

Houses for the destitute in Radisele and Topisi

Choppies donated two houses for previously disadvantaged families in Radisele and Topisi. This was done under the National Housing Appeal initiative.



A house for the destitute

Choppies donated a house to an underprivileged family in the Molepolole North Constituency. This was done under the National Housing Appeal initiative in partnership with the government.



Mophato Cultural Event

Choppies donated 10 cases of water to support the cultural event hosted by the Bangwaketse Tribal Administration. Held annually, the event aims to educate young men on the values of manhood, responsibility, culture and respect, while promoting the preservation of cultural traditions and heritage.



Airborne Lifeline Foundation

Choppies signed an MOU in 2023 with Airborne Lifeline Foundation, a non-profit organisation operating in Botswana to use Choppies' aircraft at a reduced cost to transport Ministry of Health professionals to conduct outreach healthcare visits to remote parts of the country. Since inception, 368 medical specialists, including paediatricians, obstetricians and gynaecologists, orthopaedic surgeons, neurologists, ENTs, neonatal nurses, general surgeons, oncologists and other healthcare professionals, travelled to treat 5 603 patients across the country using Choppies' aircraft (153.4 flying hours).

Our value-creation story continued

SHARED VALUE IN ACTION continued

Supporting institutions and the wider community



Bogosi Association of Botswana annual general meeting

Choppies supported the annual general meeting of the Bogosi Association of Botswana by providing five cases of juice and five cases of water. The meeting brought together traditional leaders to discuss cultural, traditional and community matters, fostering dialogue on issues affecting communities.



Botswana Television Breakfast Show

Choppies supported the Botswana Television Breakfast Show through sponsorship, contributing to programme delivery and audience engagement.



Bobirwa Farmers Partnership

Choppies supported the Bobirwa Farmers Partnership ("BOFAPA") by sponsoring and strengthening local farmer engagement and market access initiatives. The support was aimed at empowering farmers and promoting local agricultural development.



Miss Culture Global Botswana 2025

Choppies supported Miss Culture Global Botswana 2025 through sponsorship of the national cultural pageant.

The Law Society of Botswana gala dinner

Choppies supported the Law Society gala dinner through sponsorship of the annual event. The gala dinner provides a platform for strengthening relationships between the Law Society and the business community while fostering professional networking and engagement among stakeholders.



Boleng Training and Consultancy Services and Botswana Council of the Disabled

Choppies donated five cases of water in support of activities by Boleng Training and Consultancy Services and the Botswana Council of the Disabled. The activities aimed to sensitise the community on working and co-existing with persons living with disabilities.



Our value-creation story continued

SHARED VALUE IN ACTION continued

Supporting institutions and the wider community continued



Gambling Authority Social Club

Choppies donated snacks in support of Gambling Authority club activities. The activities focused on raising community awareness of responsible gambling and promoting informed decision-making regarding gambling practices.



Kgolo Collective Masterclass

Choppies donated three cases of water in support of the Kgolo Collective Masterclass. The masterclass was designed to equip young entrepreneurs, techpreneurs and social media influencers with practical skills in brand building, digital marketing and monetising their online presence, empowering them to leverage digital platforms for personal and business growth.

Eclipso Ventures Media – Kidpreneur and Health Workshop/Tour

Choppies supported youth entrepreneurship and health education initiatives held by the Eclipso Ventures Media Group. The event aimed to equip young people with entrepreneurial skills and mindset.



Isaac Makwala Foundation launch

Choppies supported the launch of the Isaac Makwala Foundation by donating water for the event. The foundation aims to nurture and support emerging athletes across various sporting disciplines by providing help with training, financial support and nutrition.



Aerobic Association of Botswana ("AAB") first annual meeting

Choppies donated four cases of water for the AAB annual meeting. The meeting discussed the increase in non-communicable diseases in Botswana and how to encourage Botswana to live healthier lives.



Choppies sponsors Botswana Defence Force

Choppies sponsored food parcels for the Botswana Defence Force. The annual donation supports the force during the festive season as they patrol various areas in Botswana.

Our value-creation story continued

SHARED VALUE IN ACTION continued

Supporting sports and youth physical development



Choppies Clash of Legends Tournament

Choppies supported the annual Clash of Legends Tournament as part of its commitment to community development and sports empowerment. The tournament brought together football legends and supporters in a celebration of sporting excellence, community spirit and unity, while also inspiring aspiring athletes through engagement with accomplished sports personalities.



Mogoditshane – Thamaga District Council sponsored walk

Choppies supported the Mogoditshane–Thamaga District Council sponsored walk by donating five cases of Sprinterade energy drinks. The sponsored walk formed part of a community wellness initiative aimed at promoting healthy lifestyles, physical activity and community engagement, with Choppies' contribution helping to ensure the success of the event.



Retail Champions Super Cup

Choppies supported the Retail Champions Super Cup by donating five cases of water, five cases of Sprinterade, 25 food plates and a BWP1 000 joining fee.



Salt Pans Ultra

Choppies supported the Salt Pans Ultra Marathon held in Letlhakane by donating five cases of water.



Matlolapata Football Tournament

Choppies provided refreshments in support of the annual Matlolapata Football Tournament.



The Voice Newspaper's Annual Marokolwane Walk

Choppies supported The Voice Newspaper's Annual Marokolwane Walk by donating 10 cases of water and a box of bananas for participants. The walk is held annually in remembrance of the founder of Botswana's best-selling newspaper.

Our value-creation story continued

SHARED VALUE IN ACTION continued

Supporting sports and youth physical development continued



Kalahari Conservation Society sponsored walk

Choppies supported the annual Kalahari Conservation Society sponsored walk by providing refreshments for participants. The walk formed part of the organisation's environmental awareness initiatives, aimed at educating communities on eco-friendly practices and sustainable activities that contribute to environmental conservation.

Francistown Cricket Association

Choppies provided sponsorship support for activities that took place at the Francistown Cricket Association field. The financial aid is to help with the upkeep of the cricket field in Francistown to cater for athletes in the community.



Choppies sponsorship to the Botswana Football Association

Choppies has established a long-standing partnership with the Botswana Football Association ("BFA"), supporting the development of football in Botswana, particularly at youth and grassroots level. The partnership reflects Choppies' commitment to corporate social investment and the development of young sporting talent, while supporting the BFA's mandate to develop football structures and provide opportunities for young players across the country.

Year	Financial support provided	Results
2024 onward	BWP5.4 million over three years	Youth football competitions and the Choppies Cup
2024/2025	BWP1.725 million	Youth-team training and football development activities
2026/2027 budget	BWP1.75 million expected sponsorship income	Continued support for BFA programmes

Key areas of support

Through its sponsorship of football development in Botswana, Choppies has contributed to the growth of the sport across multiple levels. Support has included the development and preparation of national junior teams, training camps, and the provision of essential resources for players and teams. The sponsorship has also strengthened regional youth competitions, supported the development of Under-15 and Under-17 age groups, and advanced talent identification initiatives. These efforts have created structured pathways for young players to participate in competitive football and develop their potential within the sport.

A significant development in the partnership has been the introduction and expansion of the **Choppies Cup**, which focuses on youth football development. The initiative provides young players with structured competitions and increased exposure at grassroots level. It is intended to strengthen the pathway from regional youth football into higher levels of the BFA's development structures and, ultimately, national teams. The programme also provides an avenue for identifying promising young footballers from different regions of Botswana.

Our value-creation story continued

Expanding farmer participation in the supply chain

Choppies set a target of increasing the number of registered farmers supplying produce through its network from 5 620 in June 2025 to 6 100 by June 2026. This target was exceeded, with the total number of registered farmers reaching 6 368, representing an increase of 748 new farmers during the reporting period.

Botswana remained the country with the highest number of registered farmers. Namibia achieved particularly strong growth, while Zambia continued to expand its supplier base.

The expansion of the farmer network reflects our ongoing commitment to strengthening local sourcing, supporting agricultural livelihoods and creating sustainable market access opportunities for farmers. By growing its supplier base across Botswana, Namibia and Zambia, the Group continues to contribute to rural economic development while enhancing the resilience and diversity of its agricultural supply chain.

Farmers registered with Choppies

Country	New farmers	Total registered farmers
Botswana	638	5 440
Namibia	98	205
Zambia	12	723
Total	748	6 368



Our value-creation story continued

Livestock and small stock purchases for FY2026

Sustainable sourcing and local economic inclusion are central to Choppies' livestock procurement model. By taking its livestock buying programme directly into rural communities, Choppies creates market access for local farmers, supports livelihoods and reduces barriers to participation. Before each buying event, Choppies engages with village leadership and advertises buying dates, locations and pricing information across local communities, ensuring farmers are informed and able to participate in the livestock procurement programme.

Conducting purchases within villages reduces the need for farmers to transport animals over long distances, lowering transport costs and saving time. This approach improves access to formal markets, supports rural economic development and creates income-generating opportunities for local farming communities.



See P 59 for further detail on how we support farmers.

Buying point

Livestock (cattle) 39 000

Motokwe	Khakhea	Kang	Middlepits
Shakwe	Maralaleng	Kisa	Lokgwabe
Radisele	Omaweneno	Rapples Pan	Maubelo
Kalamare	Draaihoek	Struizendam	Gakhibane
Shoshong			

Buying point

Small stock (goats and sheep) 7 400

Khawa	Draaihoek	Kolonkwaneng	Maleshe
Maralaleng	Kisa	Maubelo	
Omaweneno	Middlepits	Gakhibane	

Our value-creation story continued

Supporting local farmers

Fresh produce growers

We have built long-standing partnerships with fruit and vegetable farmers across Botswana, Namibia, and Zambia. These relationships support local agriculture while ensuring a reliable supply of fresh, high-quality produce to our stores. By sourcing closer to our markets, we improve freshness, reduce logistical challenges, and make healthy food more accessible to the communities we serve. For more on expanding farmer participation in the supply chain, see [P 57](#).



B&B Agri Farm



Produce: Tomatoes, garlic and red cabbage



Number of employees: 7

B&B Agri Farm would like to take a moment to express its deepest gratitude for the support provided by Choppies. Every order of produce has made a significant positive impact on the farm and has improved lives through this continued support. It is a pleasure to work closely with Choppies and its team.

B&B Agri Farm appreciates the support and kindness received and looks forward to continuing to serve Choppies in the future. Choppies is a valued buyer, and we greatly appreciate the smooth and reliable payment process, with payments always being made without any problems.



Lekgatshwane Farms



Produce: Mixed herbs, baby marrows, patty pans, brinjals, okra and sweetcorn



Number of employees: 8

The director, managing director, and staff of Lekgatshwane Farms are truly grateful for the support they have received from Choppies through its distribution centre in Motopi. Choppies has played an important role in supporting the farm by consistently purchasing its produce. Choppies is regarded as a trusted customer and is often among the first buyers to receive produce when it is ready for harvest.

The farm looks forward to continued support and partnership in the future as it continues its journey of producing quality and nutritious food for the country.

To honour the support received from Choppies and the Motopi Distribution Centre, we have dedicated a special section of land near our packhouse to the products supplied to Motopi, particularly patty pans, baby marrows, herbs and other produce. This dedicated area has been named the "Motopi Garden". As produce is harvested for Motopi each week, we supply Choppies directly from this dedicated section. Visitors to the farm may therefore notice a special area proudly labelled "Motopi Garden", a symbol of the long-standing partnership between Lekgatshwane Farms and Choppies.

Our value-creation story continued



Lesecon and M Enterprises



Produce: Lettuce



Number of employees: 18

Lesecon and M Enterprises experienced a challenging 2025/2026 cropping season due to excessive heat and heavy rains, which negatively affected production and increased operating costs.

The enterprise's resilience has been strengthened by its relationship with Choppies Distribution Centre, which has continuously supported the business by purchasing its produce. We are grateful for this support and encourage other retailers to support local farmers.

Despite the difficult season, we maintained our workforce of 18 employees. The enterprise sincerely thanks Choppies for its continued support and for helping the business grow over the years. We greatly value the partnership and look forward to continuing this relationship in the future.



Lucerne Fields



Produce: Carrots and beetroot



Number of employees: 160 (60% female)

Lucerne Fields (Pty) Limited recently celebrated its 15th anniversary, marking a significant milestone in our journey from a bold vision to one of Botswana's leading fresh-produce farming operations.

Since its establishment in 2011, the company has grown into a major producer of carrots and beetroot, supplying high-quality produce across the country. In addition to its contribution to food production, Lucerne Fields has created 160 permanent jobs, with 60% of these positions held by women, supporting local communities and economic development.

As part of the anniversary celebrations, Lucerne Fields recognised the partners who have contributed to its success, with special appreciation extended to Choppies for its long-standing support.

"This milestone reflects the dedication of our employees, the loyalty of our customers, and the enduring partnerships that have shaped our journey. We extend our appreciation to Choppies for your steadfast support and commitment to delivering fresh, locally grown produce to consumers nationwide. We look forward to many more years of collaboration and shared success." – Jan Stiglingh

Our value-creation story continued



Request Tuli Fresh

 **Produce:** Potatoes

 **Number of employees:**
120 (80% women)

Request Tuli Fresh would like to express its sincere gratitude to Choppies for its unwavering support over the past 20 years. This valued partnership has been instrumental in the company's growth and success. We greatly appreciate the trust and confidence that Choppies has placed in us.

Through this continued support, Request Tuli Fresh has expanded its operations and now employs 120 dedicated employees, with 80% of its workforce being women. This has made a meaningful contribution to empowering families and strengthening local communities.

The company is proud to supply quality vegetables, including onions, butternuts, and potatoes, and Choppies' commitment has enabled us to continuously improve our farming practices while meeting customer needs.

Request Tuli Fresh sincerely thanks Choppies for being a valued partner throughout this remarkable journey and looks forward to strengthening this relationship and achieving even greater success together in the years ahead.



Set-Mak Orange Farm

 **Produce:** Oranges

 **Number of employees:** **12**

In sincere recognition and appreciation for your unwavering support and commitment to local agriculture, Set-Mak Orange Farm in Mokolatubu proudly acknowledges your continued partnership in purchasing oranges from our farm over the years.

Your trust and support have not only empowered our farm but have also contributed significantly to the growth of sustainable farming and community development in Botswana.

We deeply value your collaboration and look forward to many more fruitful years together.

Thank you for growing with us.

Our value-creation story continued



Spring Blossom Farm



Produce: Cucumbers, tomatoes, button mushrooms, red cabbage, broccoli, cauliflower and green beans



Number of employees:
15 (60% women)

Spring Blossom Farm (Pty) Limited remains committed to producing high-quality fresh produce that is safe, nutritious and appealing to consumers. Cucumbers continue to be our primary crop, accounting for 70% of total sales. The past year has been one of the farm's most successful, with annual sales increasing by 33% while retaining all full-time employees. This growth was made possible largely through the unwavering support of Choppies, whose commitment to sourcing from local farmers has provided a reliable market and the confidence to continue investing in the business. During the year, the farm invested in a 35-kW solar system and three tunnels to improve efficiency and profitability.

Beyond providing market access, Choppies has been a valued partner by offering practical guidance on product quality and market expectations. This support has helped strengthen operations, improve standards, and expand production with greater confidence.

We are especially grateful for Choppies' continued support of our cucumber production. Even during periods of market oversupply, Choppies maintained its commitment to purchasing from our farm, helping to shield us from substantial losses and ensuring the sustainability of our operations.

Today, Spring Blossom Farm employs 15 full-time and eight part-time employees, with nine of its full-time employees being women, contributing to local livelihoods while supporting Botswana's food security objectives.

We sincerely appreciate Choppies' continued investment in local agriculture and its partnership with farmers like us.

Together, we are demonstrating that supporting local producers strengthens businesses, creates employment and contributes to a more resilient and sustainable agricultural sector in Botswana.



Vegi Block



Produce: Onions



Number of employees:
120 (70% women)

Vegi Block (Pty) Limited is a rapidly growing agricultural enterprise established in 2019. The company began operations on undeveloped farmland with 20 to 30 employees and within four years, expanded into a fully commercial vegetable production facility.

Today, during peak seasons, Vegi Block employs more than 120 people, with women making up 70% of the workforce. This growth reflects the company's commitment to operational excellence and increasing demand for locally produced vegetables.

A key contributor to this success has been the strong partnership with Choppies, whose consistent support, fair procurement practices and reliable collaboration have enabled the business to expand production and strengthen supply chain stability.

We are proud to be a Choppies supplier, and together we are committed to advancing Botswana's food security by delivering high-quality, locally grown fruits and vegetables.

With our infrastructure firmly established and a proven market presence, Vegi Block is well positioned for continued growth and to play an important role in Botswana's agricultural self-sufficiency, supported by its valued partnership with Choppies.

Our value-creation story continued



Green View Farm



Produce: Cabbage, tomatoes, beetroots, cauliflower, broccoli, cucumbers



Number of employees: 10

We are grateful for the strong working relationship we have with Choppies. This partnership has supported our growth and inspired resilience during challenging times. The market support provided by Choppies has helped sustain the farm's vision for a better future.

The farm employs 10 full-time workers, supported by five part-time workers who assist with harvesting, transplanting and other seasonal activities.

We want to thank Choppies for all their support for the past 16 years. Through this valued partnership, the farm has been able to expand its production by adding new crops, including cucumbers, alongside cabbages, tomatoes, beetroot, cauliflower, and other produce.

We thank you for your continued support, which has contributed to our growth and helped us support our families.

Thank you, Choppies, for being a trusted and valued partner.



Patka Family Trust



Produce: Maize, cabbage, tomatoes, watermelons, onions and citrus

Patka Family Trust is an agricultural venture established in 2021 on Farm Mahnbrunn in the Okavango district of central Namibia, producing maize and, since 2023, a range of horticultural crops including cabbages, tomatoes, watermelons, onions and citrus. Choppies Namibia has been central to that growth from the outset as it registered Patka as a horticultural supplier in 2023, opening the venture's first reliable route to market through its Otjiwarongo and Okakarara stores, and progressively widened that access as Patka proved its quality and delivery consistency, first to all four Windhoek stores in 2025, and then to the Choppies Distribution Centre, which took approximately 35 tonnes of onions following that year's harvest.

Choppies' support has been the decisive factor in Patka's commercial viability. In 2026, Choppies centralised the procurement of Patka's produce through its distribution centre, which services all 24 Choppies stores across Namibia, a decision taken with Patka's long-term sustainability in mind, giving a single local producer access to a nationwide retail network and the volume certainty needed to scale production and improve operational efficiencies.

Choppies has also backed Patka's investment in citrus by procuring lemons for the first time this year, alongside continued supply of cabbages, onions, watermelons and tomatoes. Underpinned by open communication, timely responsiveness and mutual trust, the partnership stands as an example of a national retailer actively enabling the growth of a local agricultural producer, and Patka remains committed to expanding its production capacity in support of it.

Our value-creation story continued



York Farm Limited



Produce: Beans, baby corn, tomatoes, broccoli, cauliflower, courgettes, peppers, patty pans, English cucumber, mange tout and sugar snap

York Farm has been proud to partner with Choppies for many years, supplying fresh vegetables that stock shelves across the country. As Choppies continues to expand its footprint in Zambia by opening new stores and serving more communities, York Farm has grown alongside the business, steadily increasing its supply to meet the rising demand and ensuring customers have consistent access to fresh, high-quality produce.

This partnership reflects a shared commitment to quality and reliability. We are also proud to have played a part in Choppies' journey of growth in Zambia. As Choppies continues to expand in the years ahead, York Farm looks forward to growing right alongside the Company, continuing to deliver the fresh vegetables that customers trust and rely on.



Biss Solutions Limited



Produce: Red and yellow peppers, broccoli, cauliflower and other horticultural vegetables



Number of employees: **8**

Biss Solutions serves as a key link between farmers and the market, particularly farmers that service Choppies Zambia. We specialise in growing seedlings, which we supply to farmers, and purchase the harvested produce for distribution to the market. Currently, Biss Solutions works with 10 farmers who grow specifically for Choppies, supporting local agricultural development while ensuring a consistent supply of fresh produce.

We hope to continuously grow with Choppies as it grows. All our crops are Grade A, maintaining high standards throughout our growing processes without compromise. As long as Choppies is happy with the quality of our produce, we are happy to continue growing the different crops required for its markets. We are grateful, and we hope to do more. Thank you very much, Choppies.



Our value-creation story continued

Jemora Farms & Enterprises



Produce: Coconuts, ginger, garlic, potatoes and fruits



Number of employees: 10

Jemora Farms started operating in 2014 with only five employees. Since then, the farm has grown in strength and supply capacity, producing various farm produce. We have been incredibly grateful for the support we have received from Choppies, both through the distribution centre and the stores.

To us, Choppies has been a trusted customer, purchasing our produce and being among the first offtakers of our harvest. This has in turn created long-lasting business trust between Choppies and us. Thank you very much, Choppies.

Balmy Farm



Produce: Onion, green beans, peas, chilli and bell pepper



Number of employees: 9

Balmy Farm started operating in 2020 with only two employees, initially focusing on the production of white and red onions. The year 2023 marked a significant milestone for Balmy Farm, with Choppies becoming our primary customer. This partnership began with Choppies' first purchase of 23 tonnes of onions.

"We are sincerely grateful for the wonderful support Choppies has shown to our business. I am committed to further expanding our production and supply capacity to support Choppies. We hope to exceed Choppies' future requirements and expectations by consistently delivering high-quality produce, reliable supply and exceptional service."
- Sylvia Pintican, Managing Director.

Musekya-Taa Farm



Produce: Okra, pumpkin, beans, eggplant, peppers, carrots, cauliflower, cash crops, maize, sunflower, soya beans, sorghum, millet, cotton and fruit orchards

Musekya-Taa Farm has been in existence for over five years and started doing business with Choppies in late 2022. Choppies' support has assisted the farm to grow as a result of constant business being offered. Our business relationship with Choppies is mainly on the supply of dried vegetables. We would like to highlight that Choppies consistently makes payments on time, enabling us to operate efficiently.

We look forward to more support for enhanced growth, especially in fresh vegetables, a sector that is currently undergoing expansion. Thank you very much, Choppies.

Sabreen Enterprises



Produce: Ginger, red onion and garlic



Number of employees: 5

Sabreen Enterprises started operating in 2017 when Choppies only had four stores in Lusaka and has been a very reliable and consistent supplier to Choppies.

Thank you very much, Choppies, we are grateful for the support you have given us over the years.

Our value-creation story continued



Sunray Farm Limited



Produce: Cabbage, broccoli, lettuce, spinach, tomatoes, green beans, green pepper, eggplant, and seasonal produce

Our partnership with Choppies Zambia has been a key milestone, providing a reliable market for our produce. In early 2025, we approached the Choppies Distribution Centre in Makeni with samples of green beans and cherry tomatoes. After receiving valuable guidance from the buying team and meeting their supplier standards, we secured our first order from Choppies, marking the beginning of a successful partnership. That first order was more than a sale. It gave Sunray Farm the opportunity to grow, enabling us to expand our operations and acquire an additional 10-acre farm in Mwembeshi.

Today, Sunray Farm supplies both the Choppies Distribution Centre and stores across Lusaka, with a product range that includes red cabbage, broccoli, cauliflower, tomatoes, green peppers and green beans. This growth has enabled us to create jobs, reinvest in agriculture and contribute to Zambia's local food production.

Our ambition is to continue expanding our relationship with Choppies and eventually see Sunray Farm produce reaching Choppies stores beyond Zambia.

We sincerely thank Choppies for believing in local farmers and providing businesses like Sunray Farm with opportunities to grow. Their support has been instrumental in our journey, helping us evolve from a small farm established in 2022 into a growing commercial horticultural business. While our journey is still unfolding, it all began with the courage to walk through the doors of Choppies in 2025.

Hope Kamb Farm



Produce: Ginger



Number of employees: 6

Hope Kamb Farm began its journey in 2015 with a team of three employees. The director, managing director, and staff have expressed their gratitude for the unwavering support received from Choppies through its distribution centre.

We extend our heartfelt thanks to Choppies for their invaluable assistance and unwavering support in purchasing our produce. We can always count on Choppies to uphold high standards and provide quality products to its customers, while offering us a reliable market for our produce. We have been supplying ginger to Choppies for the past two years and our sole mission is to ensure that Choppies receives the finest products. Hope Kamb Farm relies on Choppies for its success, and they undoubtedly stand out as the best in the industry. Thank you very much, Choppies.

Tima Fresh Investment Farms



Produce: Green pepper, tomatoes and coconuts



Number of employees: 10

Tima Fresh Investment Farms is a horticultural enterprise based in Chongwe with over 15 years of farming experience with a dedicated team of more than 10 employees. Since 2021, we have proudly supplied Choppies with fresh green peppers, tomatoes and coconuts. Our partnership with Choppies has been instrumental to our growth. The centralised delivery model has improved operational efficiency by allowing us to deliver to a single distribution point rather than multiple stores. We also value the consistency of orders, timely payments, fair pricing and the professionalism demonstrated by the Choppies management team.

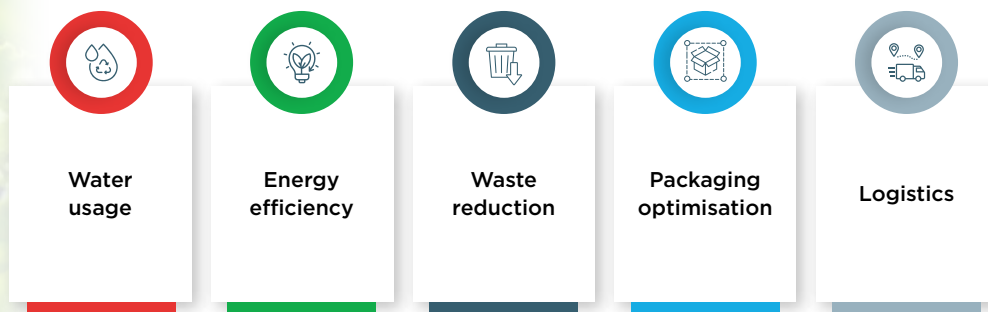
Working with Choppies has transformed our business and created opportunities for expansion. We remain committed to maintaining the highest quality standards in all our produce and look forward to strengthening this partnership in the years ahead. Thank you for supporting local Zambian farmers.

Our approach to the environment

Environmental stewardship is an important part of how Choppies manages its operations for the long term. As a high-volume retailer, we recognise the importance of using energy, water and other resources responsibly while maintaining efficient operations.

Through ongoing investments in sustainable technologies, the Group seeks to reduce its environmental impact, enhance operational efficiency and support the long-term sustainability of the business.

We actively track our environmental performance across five key segments, which are:



Key performance measures (“KPMs”)

	2026	2025 ¹
Total direct energy consumption from non-renewable fuels burned (kWh)	60 127 889	34 751 424
Total volume of electricity purchased (kWh)	96 649 111	61 855 978
Total volume of electricity consumed (kWh)	156 777 000	96 607 402
Carbon emissions		
Scope 1 emissions (kg CO ₂)	19 484 820	11 259 915
Scope 2 emissions (kg CO ₂)	82 055 095	52 515 725
Total carbon emissions (kg CO ₂)	101 539 915	63 775 640
Water		
Total volume of water consumed (kL)	443 723	190 484
Waste²		
Total volume of waste sent for recycling (tonne)	3 024	2 736
Total volume of waste disposed sent to landfill (m ³)	25 885	22 190
Total volume of hazardous waste disposed (m ³)	66	62

¹ 2025 comparatives include only Botswana retail segment.

² Waste statistics is only for Botswana Retail.

Choppies is guided by global sustainability frameworks, including the United Nations Sustainable Development Goals (“SDGs”), and our internal Choppies medium-term strategy combined with shared value initiatives and guidance from the Board and management. We ensure our operations align with international sustainability standards, by assessing, controlling, and enhancing these areas. The KPMs are aligned to four of the UN SDGs. These metrics are critical to our strategy and form part of our long-term environmental targets.

We continue to work on transition targets and KPMs and will set these for emission reduction once our CO₂ impact has been measured across the Group. A critical element in our journey to sustainability is ensuring a sustainable supply chain. We are cognisant that suppliers in our value chain impact CO₂ emissions and are working on measuring and monitoring our carbon footprint in terms of our supply chain. We constantly assess our shared value in terms of sustainability and in particular in relation to climate change as it impacts agriculture.

We extend our sustainability commitment to our entire logistics network, working with partners to uphold eco-friendly practices across upstream and downstream operations. Due to the nature of our business, some environmental impacts are unavoidable. Activities such as sourcing food and non-food products, in-store manufacturing, storage, distribution, and waste generation all contribute to these effects. However, we are fully committed to minimising our environmental footprint and, wherever possible, working to reverse these impacts.



Our approach to the environment continued

Key achievements and innovations



Solar power expansion



Energy-efficient refrigeration



Waste management initiatives



Water efficiency systems



Sustainable supply chain practices

We remain committed to improving our understanding of emissions across our operations and value chain. As part of this effort, we measured emissions from fleet across the Group, providing greater insight into the Group's environmental footprint and supporting informed decision-making.

The readings were as follows:

	FY2026
Fleet emissions (kg CO ₂)	12 629 577

Our shared value strategy has been part of Choppies' DNA long before it became a global priority and underpins not only our strategy but our commitment to ESG. Regarded as leaders in sustainable business practices in Botswana, we are committed to reducing environmental impact and increasing efficiency, while balancing profitability with positive societal and environmental impact. We pride ourselves on being a force for good in the regions we serve, addressing the challenges of climate change, resource depletion, and social responsibility head-on.

Over the past year we have made a number of advancements which include:

- Increased solar sites to eight in Botswana, producing 2 900 MWh of energy
- Converted display and upright fridges to energy-efficient models in seven additional stores, and partially in eight additional stores
- Close to 40% of stores now use biodegradable shopping bags
- Introduced an unbleached, eco-friendly brown tissue in all of our stores under the brand name "LEFOFA"
- Comprehensive waste segregation is in place in all stores, ensuring responsible disposal and recycling of paper, plastic, biodegradable, and hazardous materials
- We continued piloting a water recovery system in eight Botswana stores to reclaim and recycle water from multiple sources. This innovation helps conserve this vital resource in water-scarce regions
- Plans are still in place to upgrade water smart meters and waterless urinals in 12 more stores. These upgrades will support better monitoring and help us reduce water consumption in individual stores by up to 30%.

At Choppies, ESG is not a compliance checklist. It is business strategy.



Our approach to the environment continued

Guiding principles

Our environmental initiatives are based on three broad aspects, one of which is external and two of which are internal:



1. UN SDGs



2. Shared value initiative



3. Choppies medium-term strategy

Of the 17 SDGs, Choppies is guided by the following:



Clean water and sanitation

We operate in regions which consider water as an important resource. Pula, which is the currency of Botswana, also means rain. Hence it is all the more important to be as thrifty as possible in working on this resource.

The following initiatives are in place or being considered against SDG 6:

- Recycling water generated in the refrigeration process. Estimation is currently being done to determine the amount of water which can be generated from condensation and air conditioners on an arid and humid day
- Recycling water from the filters used inside kitchens and from the water dispensers on the sales floor
- Ensuring clean drinking water for all the employees
- Using tap fittings to reduce the use of water for ablution purposes.



Affordable and clean energy

Clean energy is fundamental to the sustainability of our operations and the communities we serve, which is why we seek opportunities to improve energy efficiency and encourage responsible energy use.

The following initiatives are in place under affordable and clean energy:

- Phased conversion of about 250kW of load per store to photovoltaic solar energy. There is progress in Namibia and Botswana with plans to commence in Zambia in a phased manner. All stores which have the roof loading capacity will be converted to solar which can generate on average five hours of energy consumption with or without feeding back to the grid
- Conversion of all lights to energy saving lights
- Converted almost all island freezers to energy conserving self-contained ones
- Repositioning cold rooms and freezer rooms to enhance productivity
- Introducing capacitor banks to improve the power factor and hence the life of equipment.



Responsible consumption and production

Production is an integral part of most of our stores. Striving for efficiency in cooking and baking is an ongoing exercise.

The following initiatives are in place:

- Managing raw material to minimise waste generation
- Re-engineering cooking gas lines to ensure complete combustion
- Optimising heat exchanger and fuel combustion systems in bakery ovens and conversion of ovens away from fossil fuels wherever possible
- Reusing food products into other usable forms
- Centralising production facilities to improve efficiency.



Climate action

The impacts of climate change are prevalent in the communities in which we operate, which is why we seek opportunities to reduce our environmental impact across our operations.

The following actions are in place to manage SDG 13:

- Paper and plastic are being separated and sent for recycling
- We are working on a project that will enable us to create collection stations for wastepaper. This initiative is intended to reduce the quantity going into the landfill, reduce harmful effects on domestic animals and create a revenue generation avenue for citizens. Collected paper will be sent to the first-ever paper mill in Botswana
- We are working on a project that will enable us to generate energy for production from biodegradable waste
- Conversion of refrigerants to environmentally friendly ones.

Our approach to the environment continued

Our sustainability journey is built on collaboration, innovation, and leadership. As we forge ahead, we are guided by the principles of shared value which are to balance profitability with positive societal and environmental impacts. Choppies remains committed to being a force for good in the regions we serve, addressing the challenges of climate change, resource depletion and social responsibility head-on.

Future-focused initiatives

We realise that sustainable development is a continuous journey, and we are committed to expanding and strengthening our sustainability efforts. Our focus remains on implementing innovative solutions that help scale our efforts. These include the following:

Water conservation

Our focus on reducing water usage aligns with SDG 6 (Clean Water and Sanitation). We are expanding our water recycling initiatives by reclaiming condensation from refrigeration and air conditioning systems, with a goal to extend this across all operational sites.



Energy transformation

Transitioning our energy consumption to renewables remains a priority. The ongoing rollout of photovoltaic solar systems across our stores is expected to reduce our energy demand from conventional sources, contributing to a greener footprint.



Waste-to-energy projects

New initiatives, such as using biodegradable waste for energy production, are being explored, with a view to further reducing landfill reliance and promoting circular economy principles.





Governance

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Application of King IV principles



Taking pride in what we do.

Corporate governance report

Choppies is a committed corporate citizen and adheres to sound corporate governance standards, which serve as the cornerstone on which investors' trust is founded. Corporate governance promotes justice, accountability, responsibility, and openness across organisations like Choppies in accordance with the universal principles in King IV.

Corporate governance procedures safeguard managers and staff as they carry out their responsibilities, and effective governance inspires stakeholder confidence in the organisation.

Choppies is dedicated to following and upholding sound corporate governance standards as outlined in the Botswana Companies Act, King IV, the BSE Listings Requirements (primary listing), and the JSE Listings Requirements (secondary listing). The Board is aware that corporate governance procedures must be suitable for the size, nature, and complexity of the Company's operations while fostering sound procedures in light of the financial performance. Choppies is dedicated to upholding the highest governance standards and applies rigorous compliance procedures.

The Company believes that its governance practices are sound and, in all material respects, conform to the principles embodied within King IV. Application of the King IV principles is set out on **P** 93 to 98.

Ethical leadership

Key to the corporate governance of the Group is the "Code of Business Conduct and Ethics". This code was drafted from best practices in the corporate world. It is intended to nurture a culture of integrity, responsibility, accountability, transparency and fairness, and to sustain the confidence and trust of all the Company's stakeholders. Compliance with the code is mandatory for all employees and stakeholders of the Company. Among others, the code covers the following:

- Compliance with laws and regulations
- Policy on human rights
- Conflict of interest
 - Outside activities, employment and directorships
 - Nepotism
 - Relationships with clients, customers and suppliers
 - Gifts, hospitality and favours
 - Solicitation of gifts, sponsorships and money
 - Personal investments

- Anti-corruption and bribery policies
- Safety, health and environmental responsibility
- Political support and government relations
- Protecting Company funds and assets
- Accurate and timeous record keeping
- Dealing with outside persons and organisations
- Privacy and confidentiality of information
- Contravention of the code – implications
- Tip-offs Anonymous.

The Board accepts overall responsibility for the adherence to the code and has no reason to believe that there have been any material instances of non-adherence during the year under review.

The Group also has a supplier code of practice in place outlining the ethical practices and policies of Choppies. All suppliers are required to adhere to this policy.

Whistleblowing measures

Choppies has a whistleblowing process in place that enables employees and third parties to report any perceived or alleged irregular or unethical behaviour in a confidential and controlled environment. A 24-hour anonymous ethics hotline is managed by an independent external service provider and can be accessed telephonically or via email.

During the year, 86 reports were received, all of which were investigated by the respective teams. Reports are monitored and managed with feedback to the ARC.



Corporate governance report continued

Governance structure

The Choppies Board of Directors acts in the best interests of the Company and takes ultimate responsibility for the Company. The Board is supported by the five Board committees as set out below. These committees have delegated responsibility to assist in specific matters and report to the Board. The delegated responsibility and the powers, limits and authorities attached to Board committees are approved by the Choppies Board, and such powers, limits and authorities are limited as determined by the Board from time to time. Each committee has its own charter which sets forth its purpose, composition and duties.

Board				
A	I	ESG	R	N
Audit and risk committee	Investment committee	Environmental, social and governance committee	Remuneration and human resources committee	Nominations committee

Operational management	
Executive management	Corporate functions
<ul style="list-style-type: none"> • CEO • Group CFO • Head of Corporate Affairs/Chief Compliance Officer 	<ul style="list-style-type: none"> • Investor Relations • External Company Secretary • Outsourced internal audit • Procurement and sourcing • Human Resources



Botswana
Country Head
Country CFO
Country Buyer



Namibia
Country Head
Country CFO
Country Buyer



Zambia
Country Head
Country CFO
Country Buyer

The Board delegates to executive management by way of a formal approval framework, which it reviews regularly. This framework deals with decision-making, including matters reserved for the Board, delegated to Board committees, and delegated to executive management.

The Board

The Board is governed by a formally approved charter which sets out its role and responsibilities including:

- The Chairman of the Board must be an Independent Non-executive Director
- A formal orientation programme for new directors must be followed
- Specific policies must exist regarding conflicts of interest and the maintenance of a register of directors' interests
- The Board must conduct a self-evaluation every second year;
- Directors must have access to staff, records and outside professional advice where necessary
- Succession planning for executive management must be in place and must be updated regularly
- Strategic plans and an approvals framework must be in place and reviewed regularly
- Policies to ensure the integrity of internal controls and risk management must be in place
- Ethics, safety, health, human capital, and environmental management policies and practices must be monitored and reported on regularly.

During FY2026, the Board comprised seven directors, including four Independent Non-executive Directors, two Non-executive Directors ("NED") and the Chief Executive Officer ("CEO"). The roles of Chairman and CEO are separate and distinct. The composition of the Board ensures a balance of power and authority and negates individual dominance in decision-making processes. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

An Independent Non-executive Chairman leads the Board. The Chairman presides over meetings of the Board, guiding the integrity and effectiveness of the Board's governance process. This includes ensuring that no individual dominates the discussion, that relevant discussion takes place, that the opinions of all directors relevant to the subject under discussion are solicited and freely expressed, and that Board discussions lead to appropriate decisions.

Corporate governance report continued

The Company actively solicits on an ongoing basis from its directors' details regarding their external shareholdings and directorships that potentially could create conflicts of interest while they serve as directors on the Board. The declarations received are closely scrutinised and are tabled at the beginning of each Board meeting. When applicable, directors are requested to table their interests in material contracts and, if necessary, are requested to recuse themselves from discussions in meetings. No interests in material contracts were reported during the FY2026 year.

Operational management is the responsibility of the CEO. His responsibilities include, among others, developing and recommending to the Board a long-term strategy and vision that will generate satisfactory stakeholder value, annual business plans and budgets that support the long-term strategy, and managing the affairs of the Group in accordance with its values and objectives as well as the general policies and specific decisions of the Board. The succession plan for the CEO position is regularly reviewed.

A complete list of Board members is disclosed on **P 16** of this Integrated Annual Report.

In terms of the Company's constitution, all new NEDs appointed during the year, as well as one-third of the existing NEDs, must retire on a rotational basis each year but may offer themselves for re-election. Mr Ranjith Priyalal De Silva and Mr Farouk Ismail will be retiring by rotation at the upcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

The Board is required to undergo an induction programme, including store visits, to familiarise itself with all aspects of the business.

The Board is accountable for the actions of management and has retained full and effective control of the organisation over the past year. The Board defines levels of materiality, reserving specific powers to itself, and delegates other

matters to management. The Board is satisfied that the delegation of authority framework contributes to role clarity and effective exercise of authority. The Board meets at least quarterly to review strategy, planning, operational performance, risks, acquisitions, disposals, shareholder communications and other material aspects pertaining to the achievement of the Group's objectives.

Procedures for appointment to the Board are formal and transparent, are vested in the Board and include detailed screening of nominees to ensure that they meet the eligibility requirements as laid down in the Companies Act and the BSE and JSE Listings Requirements.

Strategic planning meetings take place at least every second year, and progress on strategic objectives is reviewed at Board meetings. The Board has access to the advice of the Company Secretary and may seek independent and professional advice about the affairs of the Company at the Company's expense.

Self-evaluation

The Board conducts assessments of each director at least every second year based on several factors, including expertise, objectivity, judgement, understanding of the Group's business, and willingness to devote the time needed to prepare for and participate in committee deliberations.

A self-assessment of the Board was conducted in FY2026 evaluating the Board's role; size, composition and independence; director orientation and development; Board leadership, teamwork and management relations; Board meetings; sub-committee meetings; director and Board evaluation and compensation; management evaluation and compensation; succession planning; ethics; and stakeholders. As part of the process the Chairman's performance was also assessed as well as each individual director and the sub-committees. Recommendations included committees receiving meeting packs 10 working days in advance of meetings, committees consistently reviewing charters and greater focus on continuous training on industry knowledge.

The next round of assessments is due in FY2028.

Meeting attendance

Attendance at Board meetings for FY2026 was as follows:

Name of the director	Position	17 Sep 2025	27 Nov 2025	31 Jan 2026	18 Mar 2026	4 Jun 2026	24 Jun 2026
DKU Corea	Chairman	✓	✓	✓	✓	✓	✓
CJ Harward	Independent Non-executive	✓	✓	✓	✓	✓	✓
F Ismail	Non-executive	✓	✓	✓	✓	✓	✓
R Ottapathu	CEO	✓	✗	✓	✓	✓	✓
V Chitalu	Independent Non-executive	✓	✓	✓	✓	✓	✓
RP De Silva	Independent Non-executive	✓	✓	✓	✓	✓	✓
N Graaff	Non-executive	✓	✓	✓	✓	✓	✓

Corporate governance report continued

The Board believes that the Group has applied all significant governance principles and is compliant with all significant Listings Requirements of the BSE and JSE Limited. The Group has not breached any regulatory requirements and has complied with all its statutory obligations.

Board committees

To enable the Board to properly discharge its responsibilities and duties, certain responsibilities have been delegated to Board committees. All Board committees are chaired by an Independent Non-executive Director. All committees' charters are reviewed annually to ensure that the committees' duties and responsibilities are aligned with the requirements of corporate governance and that the committees keep abreast of new requirements which may arise from time to time.

These committees do not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The following Board committees have been established:

Audit and risk committee

It is not a legal requirement in Botswana to establish an audit committee, but in the spirit of good governance and in terms of the listing requirements of the Company on the BSE and JSE it has been considered appropriate to constitute such a committee.

The ARC has an independent role with accountability to both the Board and the shareholders.

The main functions of the ARC as per its charter and King IV are to:

- Recommend the appointment of the external auditor and oversee the external audit process
- Determine the fees to be paid to the auditor and the auditor's terms of engagement
- Pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Company
- Oversee integrated reporting
- Review the Annual Financial Statements, interim reports, preliminary or provisional results announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents
- Ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities
- Review the expertise, resources and experience of the Company's finance function
- Consider and satisfy itself annually of the appropriateness of the expertise and experience of the Company's CFO
- Oversee the internal audit function, including the approval of the internal audit plan
- Oversee the risk management function and review the risk areas of the Company's operations
- Review the technology governance and ensure that prudent steps are taken to ensure the integrity of the Company's information and information technology systems

- Prepare a report to be included in the Annual Financial Statements for the financial year: (i) describing how the ARC carried out its functions, (ii) stating whether the ARC is satisfied that the auditor was independent of the Company, and (iii) commenting in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company
- Receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, relating to: (i) the accounting practices and internal audit of the Company, (ii) the content or auditing of the Company's financial statements, (iii) the internal financial controls of the Company, or (iv) any related matter
- Make submissions to the Board on any matters concerning the accounting policies, financial controls, accounting records and reporting
- Perform any other oversight functions required by the Board.

The ARC charter makes provision for at least three Independent Non-executive Directors as members. Mr De Silva chairs the committee, which further comprises Ms Harward and Mr Chitalu. The Chairman of the Board and other directors attend the meetings by invitation but do not have voting rights. Furthermore, the CEO, CFO, internal and external auditors attend meetings of the ARC by invitation. Other executives may be requested to attend some sections of meetings as required.

The opportunity is created at meetings for discussion with the external and internal auditors without the presence of management. The members of the committee are knowledgeable about the affairs of the Group and have extensive experience in finance, accounting, legal and risk management practices.

Attendance at committee meetings during FY2026 is set out below:

Name of the director	Position	17 Sep 2025	6 Mar 2026	18 Mar 2026	4 Jun 2026
CJ Harward	Member	✓	✓	✓	✓
V Chitalu	Member	✓	✓	✓	✓
RP De Silva	Chairman	✓	✓	✓	✓

See P 103 and 104 for the ARC report on the FY2026 financial results.

Remuneration and human resources committee

The remuneration and human resources committee ("Remcom") assists the Board in discharging its responsibilities for the development of the Group's general policy on executive and senior management remuneration and to determine specific remuneration packages including, but not limited to, basic salary, benefits in kind, bonuses, performance-based incentives, retention incentives, share incentives, retirement and other benefits. The committee determines the criteria necessary to measure the performance of management in discharging their functions and responsibilities and proposes fees for Non-executive Directors for shareholder approval.

The committee is also responsible for matters relating to human resources.

Corporate governance report continued

The committee's charter makes provision for at least three Independent Non-executive Directors as members. The committee is chaired by Mr De Silva, with Ms Harward and Mr Chitalu as members. The Chairman of the Board and other directors attend the meetings by invitation but do not have voting rights. The committee has an independent role, operating as an overseer and making recommendations to the Board for its consideration and final approval.

Attendance at committee meetings during FY2026 is set out below.

Name of the director	Position	16 Sep 2025	11 Dec 2025
RP De Silva	Chairman	✓	✓
CJ Harward	Member	✓	✓
V Chitalu	Member	✓	✓

The report of the Remcom is set out on **P** 84.

Environmental, social and governance committee

While the establishment of an environmental, social and governance (ESG) committee is not a statutory requirement in Botswana, the Board has determined that the committee is an important component of the Group's governance framework. In line with principles of good corporate governance and the BSE and JSE Listings Requirements, the Board has constituted an ESG committee to oversee ESG matters and support the Group's long-term sustainability objectives.

The committee consists of three Independent Non-executive Directors, namely Mr Corea who is the Chairman, Mr De Silva and Mr Chitalu.

Attendance during FY2026 at committee meetings was as follows:

Name of the director	Position	27 Oct 2025	19 Mar 2026
DKU Corea	Chairman	✓	✓
V Chitalu	Member	✓	✓
RP De Silva	Member	✓	✓

The report of the ESG committee is set out on **P** 91.

Investment committee

The investment committee assists the Board in evaluating opportunities that present themselves to the Group, advises the Board on such investment opportunities in a transparent manner, and ensures that sufficient consideration has been afforded to such opportunities. However, the Board is responsible for the final decision on all such investments.

The committee comprises three Independent NEDs, Mr De Silva, Mr Chitalu and the Chairperson, Ms Harward.

Attendance at the one committee meeting for FY2026 is set out below:

Name of the director	Position	31 Jan 2026
CJ Harward	Chairperson	✓
V Chitalu	Member	✓
RP De Silva	Member	✓

The report of the investment committee is set out on **P** 92.

Nominations committee

The primary duty of the committee in terms of the nomination process is to ensure that the procedures for appointments to the Board are formal and transparent, by making recommendations to the Board on all new Board appointments and reviewing succession planning for directors and senior executive management. The committee also evaluates all candidates for the position of director on the basis of skill and experience. Thorough background checks are conducted.

The committee is chaired by the Chairman of the Board, Mr Corea, with Independent Non-executive Director, Ms Harward, and Non-executive Director, Mr Ismail, as members.

No meetings were held during the year.

The Company Secretary

BP Consulting Services (Pty) Limited is the Company's appointed Company Secretary. Their main duties are to take minutes at Board meetings and to attend to administrative matters. The Chief Compliance Officer assists the Company Secretary in fulfilling their duties in terms of the Companies Act. The Board assessed the Company secretarial function for the year under review and confirmed that BP Consulting Services continues to demonstrate the requisite level of knowledge and experience to carry out all duties. The Company Secretary is confirmed to be competent, suitably qualified, and experienced. In addition, the Board is comfortable that the Company Secretary maintains an arm's length relationship with the Board at all times. Furthermore, the Board performed a formal evaluation of the Company Secretary in the past year.

As far as advice to the Board and individual directors regarding legal matters, including compliance with fiduciary duties is concerned, the services of its legal advisers are used.

Transfer secretaries

The Central Securities Depository Botswana ("CSDB") will remain the Company's transfer secretaries in line with the requirements of the Securities Act of 2014 and will continue with the mandate of keeping an up-to-date register of the Company's shareholders, the transfer of shares, and other related activities.

Corporate governance report continued

Company sponsor

Motswedi Securities (Pty) Limited was appointed and remains the Group's BSE sponsor. PSG Capital serves as the Company's JSE sponsor.

Restriction on share dealings

Directors and employees are prohibited from dealing in Choppies shares during price-sensitive periods. Closed periods extend from 31 December and 30 June, being the commencement of the interim and year-end reporting dates, up to the date of announcement of interim and year-end results and include any other period during which the Company is trading under a cautionary announcement. All directors are required to obtain written permission from the Chairman before dealing in any Choppies shares to protect them against possible and unintentional contravention of the insider trading laws and stock exchange regulations.

Gender diversity

Choppies supports the principles and aims of gender diversity at Board level.

Compliance

Compliance with laws, rules, regulations and relevant codes is integral to the Group's risk and opportunities management process. The ARC is responsible for, inter alia, ensuring an appropriate compliance framework and register are in place, reporting non-compliance, and reviewing any major breach of relevant legal and regulatory requirements.

The ARC report sets out the compliance processes and new policies adopted during the year as well as its assessment of the effectiveness of the compliance function.

Combined assurance

The Board is ultimately accountable for ensuring that an effective and efficient system of internal control is designed and implemented within the Group. The Board has delegated this responsibility to the ARC which, through a combined assurance model, oversees the effectiveness of the Group's internal control environment and ensures that it underpins the integrity of the Group's internal and external reporting.

Details on the combined assurance model and risk management are outlined in the risk report as well as the ARC report on P 78 and 103, respectively.

Investor relations

The Group is committed to ensuring compliance with all legislation, regulation and voluntary codes in relation to disclosure, communication and dissemination of information, while limiting reputational risk for management and the Group. Management is committed to engaging with analysts and fund managers to enable informed decisions about investing in Choppies. The CEO is the designated investor spokesperson, along with the investor relations officer, Chairman and Group CFO.

The Company identifies key stakeholders with legitimate interests and expectations relevant to the Company's strategic objectives and long-term sustainability, and strives to have transparent, open and clear communications with them. Reports, announcements and meetings with investment analysts and journalists, as well as the Company's website, are useful conduits for information.

The Chairmen of the Board and the Board committees are expected to attend the Company's Annual General Meeting, and shareholders can use this opportunity to direct any questions to them that they may have. A summary of the proceedings of general meetings and the outcome of voting on the items of business is available on request.

Information technology governance

The Board has delegated responsibility for information technology ("IT") to the ARC but retains overall accountability.

Management has the responsibility for the management of IT and the governance framework which includes:

- An IT steering committee to monitor and manage IT governance
- Formulating IT policies and procedures to regulate the management of all IT functions.

All IT acquisitions fall within the same capital approval processes as other capital expenditure projects and would thus, based on value, be submitted to the Board for approval.

The ARC evaluates the effectiveness of the IT structure of the Group, including network security and threats related to cybercrime. The ARC report is set out on P 103 and 104.

The IT steering committee is responsible for all high-level IT governance decisions and is chaired by the CEO and further comprises the CFO, Chief Compliance Officer and CTO. We continue to comply with the IT charter and policies adopted in July 2023.

The IT department continued to enforce the IT policies and evaluate their effectiveness through the IT department assessments as well as through the comprehensive internal audit covering the IT governance framework and security management.

The external audit of IT encompassed practices verifying compliance with ISA 315R and other universally accepted de facto IT and IT audit frameworks.

The IT department continued to upgrade the security measures and strengthen our IT infrastructure capabilities to ensure our readiness to adopt new technologies. Considering the increase in cybercrimes, the IT department conducts cybersecurity awareness training for key departments using critical business systems and handling sensitive data.

Risk management report

The Group takes a structured and consistent approach to risk management by aligning strategy, processes, people, technology and knowledge for the purpose of evaluating and managing the uncertainties and risks Choppies faces in creating shareholder value.

In addition, the Group's risk management framework outlines the processes and procedures to be followed and has been approved by the Board. Risk appetite and tolerance levels were also determined and approved by the Board.

Roles and responsibilities

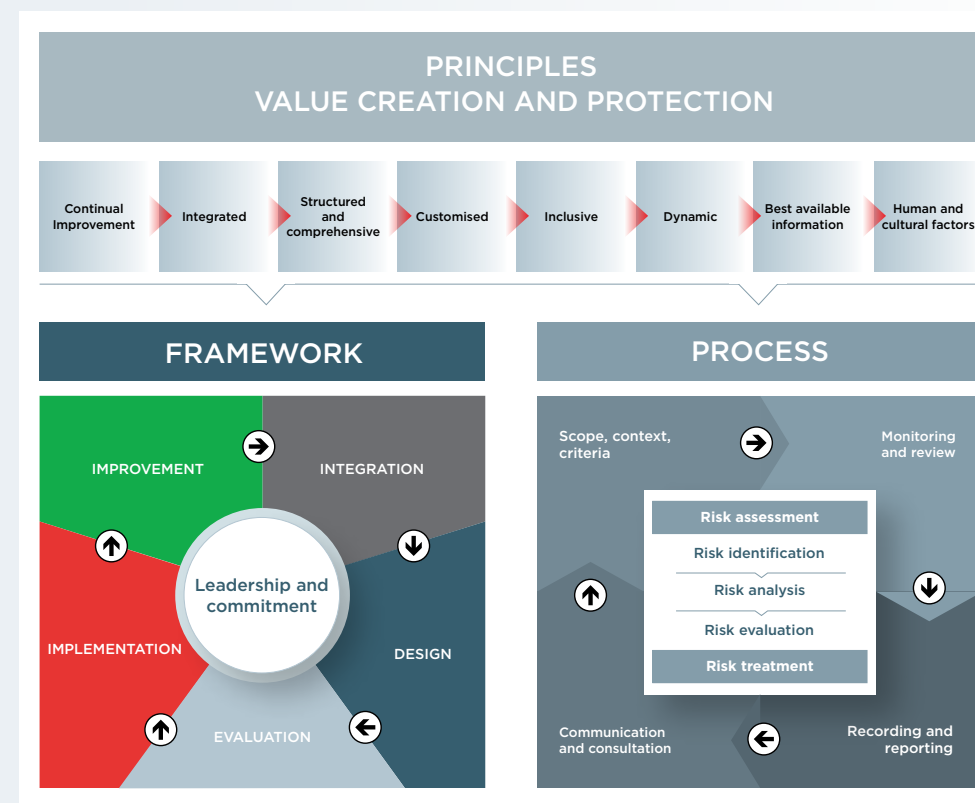
The CEO drives the culture of risk management and the Board has overall responsibility for the governance of risk within the Group. The ARC assists the Board by monitoring the effectiveness of the control and risk management implemented by management.

The roles and responsibilities of the different role players are set out below:

Board/executive management	<ul style="list-style-type: none"> Communicate the risk management approach to all levels of the organisation Develop policies and procedures around risk that are consistent with the organisation's strategy and risk appetite Promote an organisational culture that supports risk management.
Audit and risk committee	<ul style="list-style-type: none"> Monitor risk management, including identifying areas of risk which may impact the Group and suggesting appropriate controls for mitigation.
Group internal audit	<ul style="list-style-type: none"> Assess the effectiveness of the overall risk management process Review the adequacy, effectiveness and efficiency of controls implemented to mitigate risk.
Management	<ul style="list-style-type: none"> Responsible for the implementation of the risk management system and processes within their functions.
All staff	<ul style="list-style-type: none"> Responsible for managing risk within their area/function of the organisation.

Risk management framework

The below framework, which aligns with ISO 31000:2018, has been used to set out Choppies' response to managing risk across the Group.



The Group's risk management approach is underpinned by three interconnected elements, which are:

- **Principles** – the essential qualities for risk management
- **Framework** – the components necessary for effective risk management
- **Process** – the key steps that need to be followed to ensure effective risk management within the Group.

Risk management report continued

Risk management process

Communication and consultation

Communication and consultation are key to the implementation and execution of the risk management process. This component is relevant for all steps in the process and the Board and management should communicate and consult with external and internal stakeholders throughout the process.

Risk assessment

Risk identification

This is the identification of what could prevent Choppies from achieving its objectives. The risks are captured in a risk register to ensure they are continually assessed and monitored.

Risk analysis

This involves understanding the sources and causes of the identified risks; studying probabilities and consequences given the existing controls, to identify the level of residual risk. Key considerations include the likelihood of the risk occurring, potential impacts of the risks if they do occur after considering existing controls and factors that could increase or decrease the risk. In assessing the relevant controls, the current controls are identified, the adequacy of the controls assessed and opportunities for improvement identified. For each risk identified the impact and likelihood of the risk are determined resulting in a rating of the risk. All risks that have been identified are documented in the risk register.

Risk evaluation

The risk analysis results are assessed to determine whether the residual risk is tolerable. The significance of the risk against the organisational objectives is determined to assign a priority to the risk. The higher the risk the more resources would be allocated to mitigating the risk.

Risk response/risk treatment

Risk response is the process of developing strategic options, and determining actions, to enhance opportunities and reduce threats to Choppies' objectives.

The following table contains examples in determining the appropriate treatment to the identified risk:

Risk response	Description
Avoid	Change the strategy or plans to avoid the risk
Reduce	Take action to reduce the likelihood or impact
Transfer	Transfer the risk to a third party such as insurance
Accept	Take no further action and decide to accept the risk

Monitoring and review

It is essential to monitor risks, the effectiveness of the plan and strategies and controls that have been implemented to mitigate unacceptable risks.

Monitoring, review and update of the framework

The audit and risk committee is responsible for the annual monitoring, reviewing and updating of the risk management framework annually, and whenever guidelines or legislation change.

Scope and implementation

The above risk management framework and process are filtered into the daily operations and the way the Group does business. In order for risk management to be effective throughout the Group, each role player is required to fulfil specific responsibilities all aimed at embedding risk management practices into everyday business.

In order to assure the continuing focus on risk management the review and update of the risk register forms part of the agenda of executive management meetings.

Risk is not only viewed from a negative perspective. The assessment process also identifies areas of opportunity, for example where effective risk management can be turned into a competitive advantage, or where taking certain risks could result in reward for the Group. Any risk taken is considered within the Group's risk appetite and tolerance which are reviewed and updated annually.

Risk appetite

Risk appetite is defined as the amount and type of risk that the Group is willing to pursue or retain. Risk appetite allows the Group to determine how much risk it is willing to take (including financial and operational impacts) to innovate in pursuit of its objectives.

The Board has determined the level of acceptable risk and requires management to manage and report on risk accordingly. Issues and circumstances that could materially affect the Group's reputation constitute unacceptable risk.

A system of internal control is implemented in all key operations and is tailored to each business's characteristics. It provides reasonable, rather than absolute, assurance that the Group's business objectives will be achieved within prescribed risk tolerance levels. The associated risk areas and control processes are monitored and reported on across the Group.

The Group also maintains a comprehensive insurance programme to ensure that material financial consequences of risk events do not result in undue financial impact on Group businesses.

Risk management report continued

Key business risks

The current key identified risks and their respective mitigations are set out below:

1. Foreign exchange, interest rates and commodity prices (2025: 1)

Strategic priority

1

Capitals impacted

FC

Description

Negative impact of foreign exchange fluctuations and unexpected Botswana Pula currency devaluation on the Group's performance resulting in forex losses.

Mitigation

- Committed import exposures are covered by forward exchange contracts
- Minimal foreign currency debt other than the lease contracts.

2. Working capital, cash flow and liquidity risks (2025: 3)

Strategic priority

1

3

Capitals impacted

FC

Description

- Lack of required funding for business growth
- Increasing interest rates
- Poor working capital management will impact cash flow and profits.

Mitigation

- Generation of profits/cash for further investment
- Prioritise investment opportunities
- Continued operational excellence
- Proactive engagement with lenders
- Optimise credit terms with suppliers
- Budget and monthly monitoring and reporting
- Focus on stock shrinkages
- Strong physical security in place
- Recommended Order Quantity ("ROQ") model in place for stock ordering.

3. Macroeconomic conditions in particular countries (2025: 9)

Strategic priority

1

2

4

Capitals impacted

FC

HC

SRC

Description

Some economies remain volatile due to a stressed socio-political situation.

- Restriction on importation of certain foodstuffs
- Non-availability of containers in RSA for imported product
- Shortage of medical supplies.
- Fuel and transportation costs have been rising due to the global uncertainty caused by the war in the Middle East, which presents a cost-push risk.

Consumer down-trading and margin compression. Shoppers are shifting to cheaper units, private label, smaller baskets, and are increasingly promo-chasing.

Mitigation

- Continually assess investment in all countries in which the Group operates
- High degree of localisation in each geography
- Supply agreements with local farmers
- Investigating imports through other ports than RSA
- More affordable bulk products introduced
- Regular deep promotional campaigns.

4. Fraud, theft, corruption, stock losses and wastage (2025: 8)

Strategic priority

1

2

3

Capitals impacted

FC

MC

SRC

Description

Internal risk of fraud and theft by employees.

External risk through collusion, misappropriation of assets such as cash and inventory (shrinkage), and third-party fraud, armed robberies and theft.

Mitigation

- Relevant policies on financial controls especially cash handling and inventory controls in place and covered in training programmes:
 - Strict security controls at all locations
 - Continuous oversight by internal audit
 - Whistleblowing hotline managed by an independent third party in place
 - Clear guidelines on anti-bribery and corruption
 - Full stock count at regular intervals including count by external parties
 - Continuous monitoring through centralised control room.

Capitals



Financial capital



Human capital



Intellectual capital



Manufactured capital



Natural capital



Social and relationship capital

Strategic priority

1

Improve shareholder returns, maintain optimal dividend yield, and strengthen the balance sheet.

2

Shared value journey: sustainability and social responsibility.

3

Drive a digital transformation that improves the customer, employee and supplier experience and powers the business to improve productivity, efficiency, engagement, and performance.

4

Become the employer of choice in the regions in which we operate.

Risk management report continued

5. Sub-Saharan Africa power crisis and climate change affecting business continuity (2025: 2)

Strategic priority

2 3

Description

Climate change can disrupt food availability, reduce access to food, and affect food quality. Projected increases in temperatures, changes in precipitation patterns, changes in extreme weather events, and reductions in water availability may all result in reduced agricultural productivity.

Increased load-shedding in Zambia disrupts trading hours and cold chain integrity, increases stock losses and raises diesel costs.

Capitals impacted

FC NC

Mitigation

- Back-up provisioning of water and fuel in compliance with standard operating procedures
- Phased solar rollout underway
- Back-up generators are in place.

7. Information technology (IT) risks (2025: 5)

Strategic priority

3

Description

IT system is key to ensuring availability of accurate, reliable, and timely information for informed decision-making.

Exposure to cybersecurity.

Usage of Artificial Intelligence techniques may produce inaccurate, biased or non-compliant output, expose confidential data, or lead to over-reliance on automated decision-making.

Capitals impacted

FC IC MC

Mitigation

- Continued investment in technology to keep abreast of new developments
- Cybersecurity, anti-virus, and back-up processes in place and subject to ongoing enhancement
- Aligning security controls with best industry practice
- Ongoing focus on IT governance
- IT policy has been rolled out and effectively communicated to all employees
- Only IT team-sanctioned enterprise tools are allowed
- Mandatory human review and sign-off of AI-generated output before it is used in decisions, reporting or customer communications
- No fully automated decisions affecting employees, customers or financial reporting without human validation
- Periodic testing of AI outputs for accuracy, bias and drift.

6. Dependence on key executives and skilled employees (2025: 4)

Strategic priority

4

Description

Continuity of key executives and skilled employees is critical in geographies with low availability of skilled resources.

Capitals impacted

IC HC

Mitigation

- Succession planning for all key positions
- Competitive/attractive remuneration and incentives both STI and LTI and benchmarking against market and industry trends
- Entrenching a culture of rewards and recognition
- Investment in skills through internal and external training and workshops
- Sponsoring higher studies for selected resources.

Capitals

FC Financial capital HC Human capital IC Intellectual capital MC Manufactured capital NC Natural capital SRC Social and relationship capital

Strategic priority

- 1 Improve shareholder returns, maintain optimal dividend yield, and strengthen the balance sheet.
- 2 Shared value journey: sustainability and social responsibility.
- 3 Drive a digital transformation that improves the customer, employee and supplier experience and powers the business to improve productivity, efficiency, engagement, and performance.
- 4 Become the employer of choice in the regions in which we operate.

Risk management report continued

8. Supplier concentration and continuity of supply (2025: 6)

Strategic priority

1 2

Description

Reliance on a defined group of suppliers in certain categories means that the failure, capacity constraint or loss of a key supplier could interrupt availability, erode margin through emergency sourcing, and damage customer trust.

Capitals impacted

FC SRC

Mitigation

- Central monitoring of all transactions with key suppliers
- Using distribution centre to mitigate supplier dependence
- Keeping number of suppliers within each category within stipulated levels
- Supply agreements with local farmers
- Arrangement with suppliers for group buying for our other operating countries for better deals and buying power.

10. Legal compliance (2025: n/a)

Strategic priority

1 3

Description

- Non-availability of required licences
- Non-compliance with labour rules and regulations
- Non-compliance with tax-related issues.

Capitals impacted

FC IC MC

Mitigation

- Major licence renewals are outsourced
- Frequent operational audit checks the licence availability
- Dedicated HR team to monitor these functions
- Separate finance team oversees these functions.

9. Food safety risk (2025: 10)

Strategic priority

2

Description

Food safety and quality are integral to maintaining customer trust and brand equity.

Inferior product quality, non-compliance with product safety standards and failing to meet customer expectations may potentially result in harm to customers, claims, regulatory scrutiny, penalties, or significant reputational damage.

Capitals impacted

SRC

Mitigation

- Strict quality control systems through recipe management and standard operating procedures
- Uniformity in product offering and quality across country regions
- Regular monitoring by executive management
- Ongoing food safety audits
- Buying team ensures all products comply with regulatory requirements
- Conducting lab testing for in-house brand products if required.

Capitals

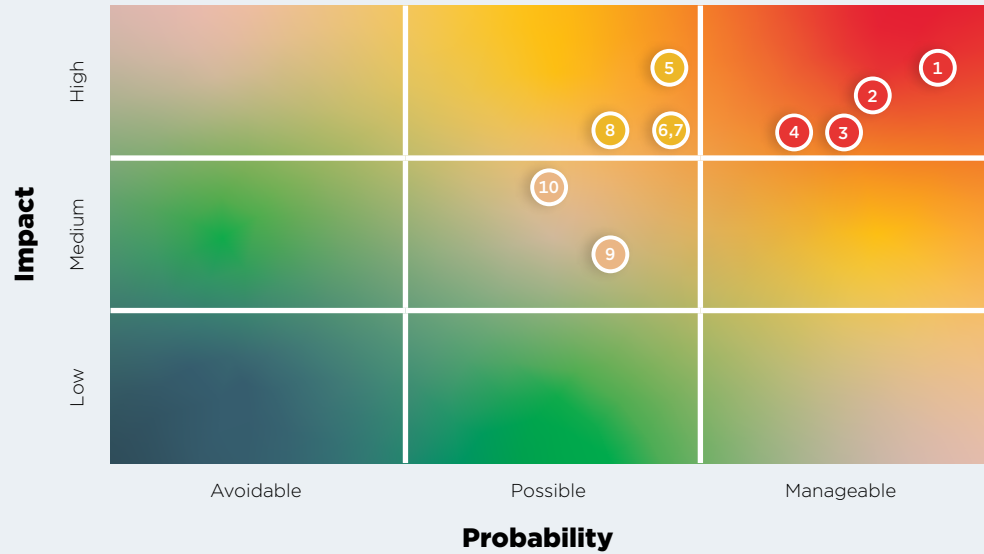
FC Financial capital HC Human capital IC Intellectual capital MC Manufactured capital NC Natural capital SRC Social and relationship capital

Strategic priority

- 1 Improve shareholder returns, maintain optimal dividend yield, and strengthen the balance sheet.
- 2 Shared value journey: sustainability and social responsibility.
- 3 Drive a digital transformation that improves the customer, employee and supplier experience and powers the business to improve productivity, efficiency, engagement, and performance.
- 4 Become the employer of choice in the regions in which we operate.

Risk management report continued

Heat map



Impact

High

Would impact business. Threatens viability of breakthrough innovation.

Medium

Risks can be understood, provided potential benefits outweigh costs.

Low

Exposure is well understood. Amenable to low-cost mitigation.

Probability

Manageable

A regular occurrence for this business.

Possible

A rare occurrence for this business.

Avoidable

Happened elsewhere but no known occurrence in this business.



Remuneration and human resources committee report

Introduction

In accordance with the requirements of the King IV report, this report is divided into three sections:

- **Section 1: Background statement from the Chairman**

A background statement from the Chairman of the Remcom that sets out the context for the remuneration considerations and decisions as well as an outline of the material issues considered during the year.

- **Section 2: Remuneration philosophy, policy and framework**

Outlines the remuneration policy to be applied for the financial period from 1 July 2026 to 30 June 2027 to be tabled at the AGM for approval by ordinary resolution of shareholders.

- **Section 3: Implementation and disclosure of remuneration policy**

The implementation report for the year to be tabled as part of the overall remuneration report at the AGM for approval by ordinary resolution of shareholders.

SECTION 1: BACKGROUND STATEMENT FROM THE CHAIRMAN

Dear shareholders

The Board presents Choppies' Remcom report for the financial year ended 30 June 2026.

This report outlines Choppies' remuneration philosophy and framework for employees, executives, Executive Directors, and Non-executive Directors. It also includes the implementation report for prescribed officers and directors.

Remcom assists the Board in overseeing the Group's remuneration policy and practices. It ensures the policy aligns with the Group's strategic objectives, determines Executive Directors' remuneration, proposes fees for Non-executive Directors for shareholder approval, and maintains a remuneration framework that balances the interests of employees, executives, shareholders, and other stakeholders.

Committee composition

For the year under review, the committee comprised the following Independent Non-executive Directors:

RP De Silva	Chairman
CJ Harward	Member
V Chitalu	Member

Shareholder approval

In line with the Companies Act, a Company's constitution can authorise the Board to determine directors' remuneration and benefits. The Choppies' constitution does so. However, King IV recommends a process with separate non-binding shareholder votes on remuneration policy and interpretation. The Board, recognising good corporate governance principles, decided not to authorise remuneration independently but to submit the remuneration policy and implementation report for approval at the Annual General Meeting.

Choppies continues to receive strong shareholder support for its remuneration policy and implementation report, reflecting confidence in the Group's remuneration framework and its alignment with performance and long-term value creation.

Shareholder engagement

Feedback from shareholders and other stakeholders has informed ongoing refinements to the Group's remuneration framework, ensuring it remains aligned with strategic objectives, supports sustainable performance, and reflects evolving stakeholder expectations.

Our operating environment and its impact on remuneration outcomes

The year under review was characterised by challenging trading conditions across the Group's operating markets. Economic pressures, constrained consumer spending, food price deflation in Zambia, and rising operating costs continued to pressure revenue growth and margins. Customers remained value-conscious, requiring a continued focus on affordability, operational discipline, and cost management to maintain our competitive position and support market share.

Despite challenges and pressure on profitability, Choppies remained committed to its responsibilities as a leading employer. The Group continued to support minimum wage increases and employee wellbeing initiatives, recognising the impact of rising living costs on its workforce. While margins were under pressure, sustainable business success depended on creating value for all stakeholders, including employees. This commitment was demonstrated through the introduction of an employee welfare fund, reinforcing the focus on supporting people while investing in the business's long-term growth and resilience.

Fair and responsible remuneration

During the year, the Group focused on remuneration practices in Botswana and Namibia in response to evolving minimum wage requirements and cost-of-living considerations. The Group continued to align employee compensation with statutory obligations while balancing affordability, operational sustainability, and workforce wellbeing. This reflects the belief that a fairly rewarded and supported workforce is fundamental to sustainable business performance and long-term value creation.

Committee activities during FY2026

During FY2026, the Remcom navigated severe macro-economic pressures, including a diamond market slump in Botswana, high inflation, and currency devaluation. The strategic agenda focused on the following primary areas:

- **Implementation of the minimum/living wage:** The committee managed the continuous rollout and financial impact of the BWP4 000 living wage mandate for baseline employees in January 2025. It oversaw the restructuring of internal wage schedules, approved incremental salary adjustments based on continuous service, and monitored the resulting spike in total administrative expenses

Remuneration and human resources committee report continued

- **Executive and key management transition:** Succession planning, workforce stability, and restructuring senior human resources management
- **Regional management development programmes:** To counter regional workforce contractions and upskill local operations, the committee oversaw structural partnerships like the Think! management development programme with the University of Zambia ("UNZA") to groom local graduates into cross-functional retail managers
- **Balancing talent retention with liquidity preservation:** Amid challenging economic circumstances, the Remcom worked with executive management to ensure competitive compensation packages mitigated negative employee sentiment without over-leveraging the Company's cash reserves.

Focus areas for FY2027

- **Continue managing the 'living wage' standard:** Following Choppies' rollout of the BWP4 000 living wage package for its staff in Botswana, the committee would continue to oversee its operationalisation, including monitoring phase-ins for newer employees and managing the financial impact of basic salary increases, allowances, and grocery vouchers
- **Review and structure** the corporate remuneration policy to meet King IV's *fairness and transparency* benchmarks
- **Build robust employee rewards systems,** continuous performance recognition, and standardised internal communication channels to curb turnover and build commitment
- **Determine** short-term and long-term incentive models for top executives and senior management, including supervising the **Choppies Share Plan** and assessing fixed versus variable benchmarks
- **Align** the executive tier's salary models with local and regional African retail sector peers to attract and retain high-calibre corporate leaders without overcompensating
- **Oversee** Choppies' unique corporate mandate as the **largest employer of individuals with disabilities** in Botswana, ensuring specialised infrastructure, supportive HR policies, and training programmes are uniformly supported

- **Review** whistleblowing reports, grievances, and track key indicators to ensure zero incidents of discrimination or legal labour disputes across all supermarket locations
- **Develop** talent and plan for succession to ensure a smooth transition of leadership
- **Continuous training schemes** ensure local staff are systematically developed and upskilled through formal training programmes to build an agile frontline retail pipeline
- **Succession risks are evaluated** to maintain long-term corporate viability and prevent systemic talent gaps in essential operational, sales, or logistics branches.

Improving productivity and operational efficiency remains key to enhancing profitability and supporting sustainable growth. Our focus will be on strengthening organisational capability through targeted talent acquisition, leadership development and the continued development of customer-centric skills across the Group.

Management, the human resources team, and all those who contributed to the review and implementation of the Group's remuneration and people initiatives during the year are thanked for their commitment, professionalism, and disciplined approach in supporting the Group's strategic objectives and ensuring fair, responsible, and aligned remuneration practices.

My fellow committee members, shareholders, and stakeholders are also thanked for their continued engagement and support, which help ensure that Choppies' remuneration framework remains aligned with sustainable long-term value creation and the interests of all stakeholders.

SECTION 2: REMUNERATION PHILOSOPHY, POLICY AND FRAMEWORK

Policy and philosophy

The Group's remuneration philosophy is that employees are remunerated appropriately for their contribution to the delivery of the Group's strategy. The remuneration policy framework is based on the principles of fair and responsible remuneration and is formulated to attract, retain, motivate and reward high-calibre employees. The Group aims to encourage high levels of performance that are sustainable and aligned with the purpose, strategic direction and specific value drivers of the business. The way the Group remunerates employees reflects the dynamics of the market, as well as the social, economic and environmental context in which the Group operates. We implemented a minimum wage in Namibia which was driven by regulatory requirements.

The employment and remuneration arrangements of employees who either form part of a bargaining unit or are independent contractors are governed by separate agreements.

Remuneration and human resources committee report continued

Remuneration framework

The key elements of the Group's remuneration framework and structure can be summarised as follows:

	Executive management ("Exco")	
	Senior corporate executives	Country executives
Guaranteed remuneration ("GR") being basic salary and benefits all covered under total cost to company	Salary, retirement, medical, housing, and vehicle benefit	Salary, retirement, medical, housing, and vehicle benefit
Short-term incentive ("STI"):		
1. Financial targets	100% Group EBITDA	100% country EBITDA
2. STI as a % of GR	4% – 58%	4% – 58%
3. STI stretch target	Exceptional performance, as judged by Remcom for Exco and by the CEO for other management. Amount for Exco members to be limited to 20% of the STI vested as in 2 above.	
4. STI salient points	<ul style="list-style-type: none"> The STI is self-funding in that the threshold for the financial target is calculated after taking into account the cost of the STI Payment of STI bonuses (if any) will only be made to those qualifying employees in the employ of the Company on 31 October 2026 The STI, if any, becomes payable after the Board approves the June 2026 Audited Annual Financial Statements After 30 June 2026 good/bad leaver provisions will apply Malus and clawback policy applies Maximum STI not to exceed 10% of Group EBIT inclusive of the amount of the STI. 	

Financial performance conditions for 2027 STI

The financial performance conditions for executive management in 2027 are as follows:

	Threshold (0% vesting)	Target (100% vesting)
EBITDA	Below 90% budget achievement	100% budget achievement
Linear vesting to apply between threshold and target.		

Long-term incentive ("LTI") scheme

The Share Plan was designed following thorough market research and independent professional advice.

Feature	Detail
Aim	The Share Plan aims to incentivise the Group's eligible employees to meet strategic objectives that will help deliver value to shareholders, achieve alignment between the participants' remuneration and the interests of the Company's shareholders and act as an attraction/retention mechanism.
Type of awards	The Share Plan will enable the award of Performance Conditional Shares and Restricted Conditional Shares.
Eligibility	Remcom will consider participation on an ad hoc or annual basis to any person holding full-time salaried employment with any member of the Group. In practice, annual Performance Conditional Share awards will be made to the executive committee and Restricted Conditional Share awards will be focused on key talent (generally below the executive committee level) or for sign-on awards to compensate new employees for the value forfeited from their previous employer.
Performance conditional shares	<p>The vesting of Performance Conditional Shares will be subject to: (i) the achievement of performance condition(s), determined by Remcom ("the Performance Conditions"), and (ii) continued employment with the Group for the duration of the vesting period ("the Employment Condition").</p> <p>Annual awards of Performance Conditional Shares will be made as a percentage of a participant's guaranteed pay, initially at 25% to 33%. While acknowledging that these award levels are below market benchmarks, it is the intention that the awards will increase towards market benchmarks when the Company performance and increases in the share price merit such awards.</p> <p>The CEO elected not to receive an award in FY2025.</p>

Remuneration and human resources committee report continued

Performance conditions for the first award will be as follows:

Condition	Notes	Weight	Threshold	Target
Vesting percentage			30%	100%
HEPS in FY2026		65%	15 thebe	22 thebe
Post-tax RONA (average of FY2026, FY2027 and FY2028)	1	25%	WACC + 12.5%	WACC + 15%
ESG conditions		10%	Management to propose	
		100%		

For each performance condition:

- 0% will vest for performance below threshold
- 30% will vest for performance at threshold
- 100% will vest for performance at target.

There will be linear vesting between threshold and target.

¹ WACC is the weighted average cost of capital averaged over the performance period.

Feature	Detail
Restricted Conditional Shares	The vesting of Restricted Conditional Shares is subject to the Employment Condition.
Setting of performance and employment periods	Remcom will set appropriate Performance Conditions measured over set performance periods ("the Performance Period"), and Employment Conditions measured over set employment periods ("the Employment Period"), as relevant, on an annual basis, considering the business environment at the time of making the awards and, where considered necessary, in consultation with shareholders. Initially, upon the commencement of the Share Plan, the Performance Period will be three years and the Employment Period will be three to five years, with one-third vesting each year.
Dividend equivalents	Participants will not be entitled to any shareholder rights before the settlement of awards. However, participants may be entitled to dividend equivalents on settlement of vested awards.
Manner of settlement	Due to the tightly held nature of the Company's shares, settlement could be by means of an issue of new shares or using treasury shares (built-up judiciously over the Performance Period). Market purchases could also be used on vesting to avoid dilution but only where these purchases can be made without excessive influence on the share price. As a fallback provision only, Remcom may direct settlement of awards in cash.

Feature	Detail
Company limit	The aggregate number of shares which may at any one time be settled in terms of the Share Plan shall not exceed 65 000 000 shares to all participants (approximately 3.6% of the issued share capital of the Company). In calculating this limit, new shares issued, or treasury shares used in settlement will be included. Awards settled by shares purchased in the market or settled in cash, and shares which do not subsequently vest because of forfeiture will be excluded in determining the limit. The Company limit must be adjusted in the event of a sub-division or consolidation of shares.
Individual limit	The maximum number of shares which may be allocated to an individual participant in respect of all unvested awards may not exceed 6 500 000 shares. The individual limit may be adjusted in the event of a capitalisation issue, special distribution, rights issue, or reduction in capital of the Company.
Termination of employment	Where the employment of a participant is terminated due to breach of contract due to absence from work; serious misconduct; incompatibility; retirement before the normal retirement date; or resignation, all unvested shares will be forfeited and cancelled unless Remcom determines otherwise. Time pro-rating, but subject to applicable performance conditions, as if the participant's employment was not terminated. Where the employment of a participant is terminated due to death; ill health; disability; injury; redundancy; subject to Remcom's discretion, retirement at the normal retirement age; or the employer Company ceasing to be a member of the Group, the awards will vest early on a pro-rated basis as follows: <ul style="list-style-type: none"> • In the case of Performance Conditional Shares, to reflect the number of months served of the employment period, and the extent to which the Performance Conditions have been satisfied. The remainder of the award will lapse, or, at the discretion of Remcom, the participant's unvested award(s) shall vest on the original vesting date specified in the award letter, as if the participant's employment had not terminated • In the case of Restricted Conditional Shares, to reflect the number of months served of the employment period. The remainder of the award will lapse, or, at the discretion of Remcom, the participant's unvested award(s) shall vest on the original vesting date specified in the award letter, as if the participant's employment had not terminated. Remcom may exercise its discretion to determine the fault or no-fault status of participants and permit awards to be settled at the normal vesting date, without time pro-rating, but subject to applicable performance conditions, as if the participant's employment was not terminated.

Remuneration and human resources committee report continued

Feature	Detail
Malus and clawback	All awards will be subject to malus and clawback provisions, in line with market practice.
Corporate transactions	<p>In the event of a change of control, awards will vest early on a pro-rata basis based on the proportion of the Employment Period served and the extent to which the Performance Conditions (if any) have been achieved. The balance of the awards will continue in force, on the basis of the original terms and conditions, unless the Remcom determines that this is not feasible, and in this case, they will be adjusted or converted for replacement awards provided that the participant is no worse off as a result of such adjustment or replacement.</p> <p>Remcom may, where necessary, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the Company. Such adjustment should give a participant entitlement to the same proportion of the equity capital as that to which they were previously entitled.</p> <p>Remcom may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue, or reduction in capital of the Company. Such adjustment should give a participant: entitlement to (i) the same proportion of equity capital as that to which they were previously entitled in terms of an existing award or (ii) the 0.5% (half a percent) of the number of issued shares in the share capital of the Company.</p>
FY2025 and FY2026 Awards	Remcom approved FY2025 awards but decided to defer FY2026 awards.

Service contracts

The Board entered into contracts with all Non-executive Directors.

Executive management is subject to the Company's standard terms and conditions of employment where the notice period varies from six months (in the case of the CEO) to one calendar month. In line with the Group policy, no executive member is compensated for the loss of office, and nobody has special termination benefits or is entitled to balloon payments.

The Group conducts performance evaluations for the executive management team on an annual basis.

There are no restraint of trade provisions in place for any executive management.

Non-executive Directors' fees

Non-executive Directors are paid an annual retainer, on a monthly basis, as well as an attendance fee per meeting. The Company draws on the experience, skills and knowledge of the Non-executive Directors with the result that they are also performing consultative services but are not paid a separate fee for these services. In this regard, extensive work has been done by the Independent Non-executive Directors during the past years that otherwise would have resulted in high external consulting fees. The fee structure is evaluated regularly based on public surveys and internal benchmarking, taking into account the additional services rendered, the complexity and the responsibilities assumed.

No increase in fees is proposed for 2027. The table below sets out the retainer portion of the Non-executive Directors' fees:

	2026 Actual BWP'000	2027 Recommended BWP'000
Chairman of the Board	660	660
Chairman of the ARC/Remcom	500	500
Chairperson of the investment committee	360	360
Other members of the Board	300	300

In addition to the above retainers, sitting fees of BWP33 333 per Board and committee meeting are paid.

Non-executive Directors do not qualify for share options, nor do they participate in any variable pay incentive schemes, to preserve their independence.

Remuneration and human resources committee report continued

SECTION 3: IMPLEMENTATION AND DISCLOSURE OF REMUNERATION POLICY

This section of the report explains the implementation of the remuneration policy and provides details of the remuneration paid to Executive Directors (the CEO is the only Executive Director), prescribed officers and Non-executive Directors for the financial year ended 30 June 2026.

Annual salary increases

Due to the current economic climate, Remcom decided to defer the increase in salaries of executive management including the CEO for FY2027.

	2026	2027
CEO*	0%	0%
Executive management excluding CEO	0%	0%

* The basic remuneration of the CEO remained unchanged over the last few years but is in line with benchmarks.

Executive remuneration

The remuneration of the CEO and prescribed officers* is reflected in the following table:

Name	Designation	Total remuneration				
		GR BWP'000	STI BWP'000	Share- based payments BWP'000	2026 BWP'000	2025 BWP'000
R Ottapathu	CEO	7 043			7 043	7 554
V Madhavan ¹	Deputy CEO	2 540			2 540	8 468
M Rajcoomar	CFO	3 577		289	3 866	4 111
V Sanooj	Chief Compliance Officer	3 146		250	3 396	3 452

* A prescribed officer is defined as a senior member of management who reports directly to the CEO.

¹ Resigned on 7 October 2025.



Remuneration and human resources committee report continued

Non-executive Directors' fees

Non-executive Directors' emoluments were as follows:

Name	Board		Committees				Total fees	
	Retainer fees BWP'000	Sitting fees BWP'000	Audit and risk BWP'000	Investment BWP'000	Remuneration and human resources BWP'000	Environmental, social and governance BWP'000	2026 BWP'000	2025 BWP'000
DKU Corea	660	233				67	960	1 060
F Ismail	300	233					533	633
CJ Harward	360	233	133	33	67		827	960
V Chitalu – Company	300	233	133	33	67	67	833	933
V Chitalu – Subsidiary*	334						334	346
RP De Silva	500	233	133	33	67	67	1 033	1 133
N Graaff**	205	233					438	186
A Dondo***								168
							4 958	5 419

* Fees paid to Mr Chitalu as Chairman of the Company's Zambian subsidiary.

** Appointed on 20 January 2025.

*** Resigned on 4 November 2024.

RP De Silva

RP De Silva

Remuneration and human resources committee Chairman

16 September 2026



Environmental, social and governance committee report

ESG report

The ESG committee supports the Board in overseeing Choppies' ESG priorities, ethical conduct and sustainable business practices. It guides ESG-related policy development, monitors compliance with applicable regulations and best practices, promotes a strong ethical culture across the Group, and oversees progress against sustainability commitments and targets to support long-term value creation for stakeholders. The committee consists of not less than three members, and the majority of the members must be Independent Non-executive Directors.

Role and responsibility

The role of the ESG committee is to assist the Board in all matters relating to organisational ethics, responsible corporate citizenship, health and safety, sustainable development, environmental awareness and stakeholder relationships, including overseeing the Group's shared value programme and initiatives.

The key objectives and responsibilities of the committee are aligned with King IV, the 10 principles set out in the United Nations Global Compact as well as the OECD recommendations regarding corruption.

Activities during the year

During the year, the ESG committee focused on strengthening ESG governance and oversight, enhancing the credibility of sustainability disclosures, and ensuring ESG initiatives were supported by appropriate evidence and documentation. In addition, the committee oversaw sustainability reporting, completed ESG-related Board training, monitored environmental performance including solar energy projects, energy-efficiency initiatives and carbon emissions reporting, and reviewed community investment and responsible sourcing initiatives.

The Committee advanced the integration of ESG performance into management accountability structures and tracked the Company's progress on its ESG targets as set out on **P** 67 of this report.

Focus areas for FY2027

In the coming financial year, the committee will look to:

- Establish carbon emission measurement and reporting processes
- Build a carbon emissions baseline and historical data set
- Explore carbon credits and carbon offset opportunities
- Expand solar energy initiatives
- Continue refrigeration replacement and energy-efficiency projects
- Improve ESG data management, documentation and audit trails
- Monitor progress against approved FY2026 ESG targets
- Communicate ESG targets to relevant management structures
- Incorporate ESG performance into remuneration and performance assessments
- Continue reporting environmental performance metrics to the Committee.

Conclusion

The committee will continue to build on the foundation laid during the past couple of years to ensure that policies and programmes are in place to maintain the high standards of good corporate citizenship and address the needs of internal and external stakeholders, and strong consumer relations.

No material non-compliance with legislation and regulations, nor material regulatory fines or penalties relevant to the areas within the committee's mandate, were brought to its attention during the reporting period. The committee will monitor the Group's activities relating to its responsibilities as outlined in the constitutions of Botswana and any other jurisdiction where the Group has established operations.

Uttum Core

Environmental, social and governance committee Chairman

16 September 2026



Introduction to the investment committee report

The investment committee ("IC" or "the committee") is an integral component of the Group's governance framework. It was established by the Board to provide independent oversight, rigorous evaluation and objective advice on material investment-related matters, including the allocation of capital in support of the Group's growth strategy.

Composition and independence

The IC comprises three Independent Non-executive Directors: Ms CJ Harward (Chairperson), Mr V Chitalu and Mr RP De Silva. The committee operates under a formal charter approved by the Board, which safeguards its independence and requires a high standard of accountability, transparency and integrity in all of its deliberations.

Senior executives and subject matter experts, including the Chief Executive Officer, the Chief Financial Officer and the Group's legal and tax advisers, attend meetings by invitation to present on specific matters. Invitees do not hold voting rights. This structure reinforces the independence of the committee and underpins its role as an objective advisory body to the Board.

Role and responsibilities

The IC's primary responsibility is to review and evaluate major investment transactions, divestitures and capital allocation decisions, and to make recommendations to the Board accordingly. In fulfilling this mandate, the committee ensures that:

- Transactions are subject to rigorous due diligence, financial evaluation and legal review
- Risks are assessed in line with the Group's risk appetite and financial strategy
- Recommendations are aligned with long-term shareholder value creation, sustainability and corporate governance best practice
- The Board is kept informed on a timely basis to enable sound and well-informed decision-making.

Activities during the year

During the year under review, the committee's attention centred on the Group's organic growth programme and the associated capital expenditure.

Expansion of the store network

The Group's store footprint grew by a net 27 stores during the year, from 287 to 314, an increase of 9.4%. Growth was achieved across every operating segment, demonstrating a balanced approach to expansion across all geographies and retail formats:

- Liquorama made the largest contribution, adding 10 stores (an increase of 11.8%) to reach 95 outlets
- Botswana Grocery Retail, the Group's core market, added seven stores (6.3%), bringing its network to 118 stores
- Zambia Grocery Retail added five stores (12.5%), the highest percentage growth of the grocery segments, taking its network to 45 stores
- Builders Mart expanded in both of its markets, with three new stores in Botswana (11.1%) and a second store in Namibia
- Namibia Grocery Retail added one store, bringing its network to 24 stores.

Store numbers by segment as at 30 June

Segment	2025	2026	Net additions	Growth
Botswana Grocery Retail	111	118	7	6.3%
Zambia Grocery Retail	40	45	5	12.5%
Namibia Grocery Retail	23	24	1	4.3%
Liquorama	85	95	10	11.8%
Builders Mart Botswana	27	30	3	11.1%
Builders Mart Namibia	1	2	1	100.0%
Total	287	314	27	9.4%

Capital expenditure

Total capital expenditure for the year amounted to BWP263.1 million, comprising BWP257.4 million in property, plant and equipment and BWP5.7 million in software. The allocation reflects a balance between investment for growth and the sustaining investment necessary to maintain the quality, efficiency and resilience of the Group's operations:

- New stores accounted for BWP89.3 million (33.9% of the total), the largest single category, funding the expansion of the store network set out above

- IT hardware and software accounted for BWP63.9 million (24.3%), including all BWP5.7 million of software expenditure, reflecting continued investment in the Group's technology infrastructure and systems
- Motor vehicles accounted for BWP58.8 million (22.3%), supporting the Group's fleet and logistics capability
- Investment in existing stores amounted to BWP51.2 million (19.4%), directed at maintaining and upgrading the current estate.

Focus areas for the year ahead

In the coming financial year, the committee will continue to:

- Monitor the performance of new stores against the financial returns anticipated at approval
- Evaluate further expansion opportunities across the Group's markets and formats in line with its capital allocation framework
- Oversee the delivery of the Group's technology investment programme
- Ensure that capital is deployed in a disciplined manner that balances growth with financial resilience.

Conclusion

The committee is satisfied that it has discharged its responsibilities in accordance with its charter for the year under review. Although the year involved fewer investment transactions than the prior years, the matters considered were strategic in nature and of significant consequence to the Group's financial stability and long-term positioning.

The IC remains committed to upholding the highest standards of governance and to ensuring that the Group's investment decisions continue to be guided by thorough analysis, transparency and alignment with the interests of shareholders.

Carol-Jean Harward
Investment committee Chairperson

16 September 2026

Application of King IV principles

The various principles of King IV are embodied in the different sections of the Integrated Annual Report. The Listings Requirements of the BSE, however, require a full disclosure as an annexure in the Integrated Annual Report and, for that reason, the below has been prepared for inclusion in the Integrated Annual Report.

The Group complies with the King IV principles as explained below:

Leadership, ethics and corporate citizenship

Leadership

The Board should lead ethically and effectively.

Principle 1

The Board of Directors leads ethically and effectively, adhering to the duties of a director by acting with due care and diligence and maintaining a sufficient working knowledge of Choppies and its industry and remaining informed about matters for decision-making.

The Board is competent to steer and set the strategic direction of the Group and oversee the implementation of approved strategies by management, ensuring accountability for the Group's performance. The Board is mindful of the impact of the Group's activities on society and the environment, considering key risks and opportunities, and seeks to ensure sustained value creation for all stakeholders.

The Board charter sets out the role and responsibilities of directors. The charter also outlines the policies and practices of the Board on matters such as directors' dealings in the securities of the Company, which is done in accordance with legislation and BSE and JSE Listings Requirements, and further supported by a share dealing policy.

Each director signs a declaration at Board meetings, declaring any interests or potential conflicts, or confirming that there are no conflicts of interest.

The Board, its committees, its chair and individual members are subject to a formal evaluation process at least every two years. The results are discussed and actioned by all concerned.

Leadership, ethics and corporate citizenship

Organisational ethics

The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Principle 2

The Board ensures that Choppies' ethics are managed effectively and provides effective leadership based on an ethical foundation.

An ethical corporate culture is promoted and sustained by:

- Endorsing the values of the Group documented in the code of business conduct and ethics
- The code is published on the website and incorporated by reference in employee contracts
- Endorsing internal policies, specifically around anti-bribery and corruption, gifts and entertainment and whistleblowing to tackle practices inimical to ethical conduct more efficiently
- Monitoring and reporting on the measures taken by the Group to achieve adherence thereof (through the ESG, and audit and risk committees)
- All business conducted by the Board and management aligns with the values of the Group.

Application of King IV principles continued

Leadership, ethics and corporate citizenship

Principle 3

Responsible corporate citizenship

The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.

The implementation and execution of the code of business conduct and ethics and related policies are delegated to management.

The Board ensures that the Group is, and is seen to be, a responsible corporate citizen. The Board endorses the values, strategy and conduct which are congruent with being a responsible corporate citizen.

The Board assesses the consequences of the Group's activities by monitoring performance against measures and targets in the following areas:

- Workplace (including, but not limited to, employment equity, fairness of remuneration principles, development of and the health and safety of employees)
- Economy (including, but not limited to, economic transformation, fraud and corruption practices and policies, approving a responsible and transparent tax policy)
- Society (including, but not limited to, public health and safety, consumer protection, protection of human rights)
- Environment (including, but not limited to, responsibilities in respect of pollution and waste disposal).

The monitoring of the above activities is delegated to the ESG committee.

Strategy, performance and reporting

Principle 4

Strategy and performance

The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.

The Board appreciates that strategy, risk, performance and sustainability are inseparable and gives effect to this in the following manner:

- Providing strategic direction by assessing and approving the Group's strategy submitted by top management
- In approving the Group strategy, the Board challenges it constructively with reference to, among others, the timelines and parameters which determine the meaning of short, medium and long-term, respectively, availability of resources and relationships connected to the various forms of capital, and the expectations of material stakeholders
- Assessing the impact (risk and opportunities) of the short, medium and long-term strategy and responding to negative consequences on the economy, society and environment
- Approving policies and plans to implement the strategy, including key performance measures for assessing the achievement of the strategic objectives
- Upon approval, the Board empowers top management to implement the said strategy and to provide it with timely, accurate and relevant feedback on progress.

Application of King IV principles continued

Strategy, performance and reporting

Principle 5

Reporting

The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

The Board delegates the governance and review of the Integrated Annual Report to the audit and risk committee.

The audit and risk committee discharges its duties by:

- Ensuring that the Group issues a report annually
- Assessing the integrity of external reports (including the nature, scope and extent of assurance, legal requirements, intended user)
- Approving the reporting frameworks adopted by management
- Ensuring that all issued reports (online or printed) comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders
- Approving the threshold of materiality used for purposes of disclosing information or not
- Overseeing the assurance provided by the outsourced audit department on sustainability reporting and disclosure.

Governing structures and delegation

Principle 6

Primary role and responsibilities of the Board

The Board should serve as the focal point and custodian of corporate governance in the organisation.

The Board is the custodian of corporate governance in the Group.

The Board has adopted a charter setting out its responsibilities, duties and accountability towards Choppies. The charter is reviewed annually.

Choppies' governance practices are disclosed on **P** 72 of this Integrated Annual Report.

Governing structures and delegation

Principle 7

Composition of the Board

The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

An Independent Non-executive Chairman leads the Board. The Board comprises a balance of Executive and Non-executive members, with the majority being Non-executive of whom most are independent.

Directors are appointed through a formal process. The nominations committee identifies suitable candidates and final approval of appointment resides with the entire Board. All effort is taken to ensure the composition of the Board comprises the appropriate mix of knowledge, skills and experience (business, commercial and industry) which is sufficient to deliver on strategies and create long-term shareholder value. The Board comprises a minimum of four directors with no maximum number.

In terms of the Company's constitution, all new Non-executive Directors appointed during the year, as well as one-third of the existing Non-executive Directors, must retire on a rotational basis each year but may offer themselves for re-election. The nominations committee makes recommendations regarding the re-election of the retiring directors considering performance, meeting conduct, etc.

A formal induction programme exists for all new directors. Upon their appointment new directors receive an induction pack consisting of, inter alia, agendas and minutes of the previous Board and sub-committee meetings, the latest Integrated Annual Report, relevant insurance information, strategic documents, relevant policies and charters, and are informed of their fiduciary duties in terms of the Companies Act and BSE/JSE Listings Requirements. They also visit various sites and distribution centres and have meetings with executive management.

The roles and responsibilities of the chair and the CEO are separated.

The Board ensures that succession plans are in place for the Board and senior management.

Application of King IV principles continued

Governing structures and delegation

Committees of the Board

The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

Principle 8

The Board has delegated particular roles and responsibilities to Board committees, which operate under Board-approved charters, setting out the nature and extent of the responsibilities delegated and decision-making authority. These charters are reviewed annually. The Board ensures that each Board committee has the necessary skills, experience and knowledge to discharge its duties effectively.

The delegation by the Board of its responsibilities does not constitute a discharge of its accountability.

Each committee comprises a majority of Independent Non-executive Directors.

A summary of each committee's terms of reference is contained in the corporate governance section of the Integrated Annual Report. The number of meetings and attendance are published in the Integrated Annual Report under corporate governance. Each committee has a section in the Integrated Annual Report where the committee expresses its views regarding its satisfaction on the fulfilment of its responsibilities.

Evaluations of the performance of the Board

The Board 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.

Principle 9

A performance evaluation of the Chairman, individual directors, the Board as a whole and the Board committees is subject to a formal evaluation process, either externally facilitated or self-evaluation at least every two years. The nominations committee leads the evaluation process, but it held no meetings in FY2026 when the Board evaluation took place.

Each director is required to comment on the Board structure and responsibilities, processes, practices and culture of the Board, overall performance, the structure, resources and performance in respect of statutory duties of the committees.

The results of the evaluations are discussed with the Board as a whole and suggested changes and comments are actioned.

Governing structures and delegation

Appointment and delegation to management

The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Principle 10

The Board is responsible for the appointment of the CEO and evaluates the CEO's performance annually against agreed performance measures and targets.

The Board has approved a delegation of authority matrix, which details the powers and matters reserved for itself and those to be delegated to management through the CEO.

The Group's CEO is responsible for leading the implementation and execution of the Group's strategy, policies and operational plans and reports to the Board. The Board ensures that key management functions are led by a competent and appropriately authorised individual and are adequately resourced.

Governance functional areas

Risk governance

The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

Principle 11

The Board is the ultimate custodian of risk governance. To this end, the Board has approved the risk management policy and framework upon the recommendation by the audit and risk committee.

Management continuously identifies, assesses, mitigates and manages risks within the existing operating environment. Mitigating controls are put in place to address these risks. The Board is apprised of the Group's top risks; the audit and risk committee is responsible for ensuring a comprehensive risk register is tabled at Board meetings and lessons learnt are taken into consideration when formulating appropriate measures for mitigating the potential negative impact of the top risks on the achievement of the Group's strategic objectives.

Choppies' top risks are disclosed on P 80 to 83 of this Integrated Annual Report.

Application of King IV principles continued

Governance functional areas

Technology and information governance

The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

Principle 12

The Board understands the importance, relevance and inherent risks in IT. It oversees the governance of IT and information. The Board delegated to the audit and risk committee the authority to ensure appropriate compliance structures are in place.

The audit and risk committee monitors IT governance and approves the IT strategy.

The Chief Information Officer is responsible for implementing and executing effective technology and information management systems.

Compliance governance

The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

Principle 13

The Chief Compliance Officer is responsible for guiding the Board in discharging its regulatory responsibilities. The audit and risk committee as well as the ESG committee monitor the process implemented by management to ensure legal compliance.

The Group's compliance function ensures that processes are in place and are continuously improved to mitigate the risk of non-compliance with laws, and to ensure appropriate responses to changes and developments in the regulatory environment.

The Group has adopted a combined assurance model based on three lines of defence, whereby reliance is placed on various internal and external assurance providers to ensure the Group's compliance with applicable laws, codes and standards.

The audit and risk committee oversees the application of the combined assurance model on an ongoing basis.

The Board discloses details on how it discharged its responsibility towards governing and managing compliance, areas of focus, and inspections by authorities as well as material or repeated instances of non-compliance in the Integrated Annual Report. See P 77.

Governance functional areas

Remuneration governance

The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Principle 14

The Group's remuneration and human resources committee is tasked by the Board to oversee and recommend the implementation of a remuneration policy. The committee has considered the internal and external factors that influence remuneration in formulating a policy.

The policy is designed to attract, motivate, reward, and retain human capital, and to promote the achievement of the Group's strategic objectives. Furthermore, the Group's approach towards remuneration aims to ensure that an appropriate balance is achieved between the interests of shareholders, the operational and strategic requirements of the Group and providing attractive and appropriate remuneration packages to employees. The remuneration of the directors and top management is considered on an annual basis and benchmarked against peer groups to ensure fair remuneration.

The Group discloses the remuneration of each director and top management in the Integrated Annual Report. The remuneration report, including the implementation report and the remuneration policy, is set out on P 84 to 90 of the Integrated Annual Report.

The remuneration policy and the implementation report are tabled annually at the Annual General Meeting for separate non-binding advisory votes.

Application of King IV principles continued

Governance functional areas

Assurance

The Board 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 the organisation's external reports.

Principle 15

The Board has adopted a combined assurance model to obtain assurance from various assurance providers that internal controls are efficient and effective, including internal and external audit, regulatory authorities, line functions, etc.

Assurance services are overseen by the audit and risk committee. The committee is responsible for, among other things:

- Reviewing the adequacy and effectiveness of the financial reporting process and system of internal control
- Reviewing the Integrated Annual Report, Annual Financial Statements, interim reports and media releases and recommending to the Board for final approval
- Overseeing the internal audit function and approving the annual work plan
- Making recommendations to the shareholders for the appointment of the external auditors and confirming their independence
- Reviewing the expertise, resources and experience of the Company's finance function
- Ensuring that the financial reporting procedures are appropriate and that those procedures are effective.

The internal audit function is outsourced to an independent professional firm.

The report of the audit and risk committee is set out on P 103 to 104 of the Integrated Annual Report.

Stakeholder relationships

Stakeholders

In the execution of its governance role and responsibilities, the Board 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.

Principle 16

An overview of stakeholder relationships and engagement is provided on P 27 of the Integrated Annual Report.

The Board is committed to providing timely, relevant and transparent information on corporate strategy and financial performance.

The Board, through the ESG committee, governs stakeholder relationships, communication and reporting and delegates to management the responsibility for execution.

Shareholders are encouraged to attend and actively participate in the Annual General Meeting. The Board ensures that the Chairpersons of the Board's committees and the designated external auditor are present at the Annual General Meeting to respond to questions from shareholders.



The consolidated and separate annual financial statements

SECTION

07

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Positioned for sustainable growth.

Directors' responsibilities and approval

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Choppies Enterprises Limited, comprising the statements of financial position as at 30 June 2026 and the statements of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year ended 30 June 2026, the accounting policies and the notes to the financial statements, in accordance with IFRS® Accounting Standards, the Botswana Stock Exchange, Johannesburg Stock Exchange Listings Requirements and requirements of the Botswana Companies Act.

The directors are also responsible for such internal controls they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. In addition, the directors are responsible for the preparation and presentation of the other information accompanying the financial statements.

The directors have assessed the ability of the Company and its subsidiaries to continue as going concerns (refer to note 42) and, based on management's assessment, have no reason to believe these businesses will not be going concerns in the year ahead.

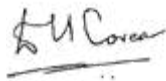
The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the IFRS Accounting Standards.

Approval of the consolidated and separate financial statements

Having considered the unmodified audit opinion of the auditors as set out on P 105 to 107, for the year ended 30 June 2026, the Board of Directors approved the consolidated and separate financial statements of Choppies Enterprises Limited, as identified in the first paragraph, on 16 September 2026 and these are signed on their behalf by:



R Ottapathu
Chief Executive Officer



DKU Corea
Chairman

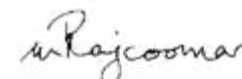
Chief Executive Officer and Chief Financial Officer responsibility statement

The members of management, whose names are stated below, hereby confirm that:

- The annual financial statements set out on P 108 to 158, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the annual financial statements of the issuer
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements. We have fulfilled our role and function as executives with primary responsibility for implementation and execution of controls
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- We are not aware of any fraud involving directors.



R Ottapathu
Chief Executive Officer



M Rajcoomar
Chief Financial Officer

16 September 2026



Certificate of the Company Secretary

We declare that, to the best of our knowledge, the Company has lodged with the Companies and Intellectual Property Authority all such returns as are required of a public company in terms of the Botswana Companies Act, and all such returns are true, correct and up-to-date.

BP CONSULTING SERVICES (PTY) LIMITED
Company Secretary

16 September 2026

Directors' report

for the year ended 30 June 2026

The Board of Directors ("directors") are pleased to submit their report on the financial statements of Choppies Enterprises Limited ("the Company") for the year ended 30 June 2026.

1. Listing information

The Company is dual-listed on the Botswana Stock Exchange ("BSE") and JSE Limited ("JSE"). The Company registration number is BW00001142508.

2. Nature of business

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

3. Review of financial results

The financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards"), the requirements of the BSE Listings Requirements and JSE Listings Requirements and the requirements of the Companies Act of Botswana.

Full details of the financial position, results of operations and cash flows of the Group and Company are set out in these financial statements, **P** 108 to 158.

4. Stated capital

Issued	2026 BWP	2025 BWP	2026 Number of shares	2025 Number of shares
Ordinary shares	1 207 052 841	1 207 052 841	1 824 461 674	1 824 461 674

Directors' report continued for the year ended 30 June 2026

5. Dividends

An interim dividend number 11 of 1.0 thebe was paid on 29 April 2026. The Board has resolved to retain earnings currently to preserve liquidity for core operations and support the Company's growth plans, considering current market conditions. The Board remains committed to shareholder returns and will resume dividend declarations as the Group delivers sustainable earnings growth and achieves financial stabilisation.

6. Directorate

Details of directors and movements during the year are given on **P** 16 of the Integrated Annual Report.

7. Directors' interests in shares

As at 30 June 2026, the directors held direct and indirect beneficial interests in 47.31% (2025: 46.15%) of its issued ordinary shares as set out on **P** 160 of the Integrated Annual Report.

8. Shareholders

Details of major shareholders are set out on **P** 160 of the Integrated Annual Report.

9. Events after the reporting period

The directors are not aware of any material events, which occurred after the reporting date and up to the date of this report.

10. Going concern

The directors, relying on management's assessments, believe that the Company and Group will continue as going concerns for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis. More details about the going concern assessment have been provided in note 42 of the Annual Financial Statements.

11. Secretary

BP Consulting Services (Pty) Limited
Plot 28892, Twin Towers, West Wing
First Floor, Fairground
Gaborone, Botswana

12. Independent auditors

Forvis Mazars
Plot 139, Finance Park
Gaborone, Botswana

13. Date of authorisation for issue of financial statements

The annual financial statements set out on **P** 108 to 158 were approved by the Board on 16 September 2026.

Report of the audit and risk committee (“ARC”)

for the year ended 30 June 2026

This report outlines the activities of the ARC during FY2026. Details on the committee’s main functions, composition, and attendance by members, are set out on **P** 75 of the governance report.

Combined assurance

The Group continued to embed combined assurance into its overall control environment. The ARC plays its role in embedding combined assurance in the Group by inviting the assurance providers, internal and external, to all of its meetings, which goes a long way in laying the groundwork ensuring that the necessary culture is created for an effective combined assurance model.

The ARC is satisfied that the framework is in place for a combined assurance model in the Group.

Risk management

A structured approach to risk management and a risk management framework and policy are in place, the details of which are set out in the risk management report on **P** 78. The ARC maintains oversight of this process. During the year, the ARC reviewed the risk register at quarterly ARC meetings which is updated on a continual basis. The committee is satisfied that all key risks are identified and monitored. The top 10 risks facing the Group are listed in the risk management report. The updated risk register and mitigation proposals have been approved by the Board.

Compliance

Management continues to make good progress in its compliance model. This model lists and analyses all applicable laws and regulations that have an impact on the Group’s activities including the BSE and JSE Listings Requirements. The ARC reviewed this model and is satisfied that the Group complies with all the laws and regulations listed therein.

Internally, several governance policies and committee charters are in place and the ARC is satisfied that the framework for a world-class governance system is in place. These policies and charters are reviewed on a regular basis.

The ARC has recommended to the Board that further training on corporate governance be held for directors and senior management during the next year.

Finance function

The preparation of financial reports, including the annual financial statements, was done under the supervision of Mr Minnesh Rajcoomar CA(SA), the Group CFO. In terms of section 5.11(h) of the BSE Listings Requirements, the committee reviewed the experience and expertise of Mr Rajcoomar and is satisfied that he is suitable to head up the Group’s finance function.

Information technology

Solid technology governance frameworks are critical to ensuring risks are identified and managed. Deploying technologies to assist with quality assurance and remove the risk of human error from critical operational and financial data is essential to enable effective decision-making and quality reporting. Information security is essential to protect our own and third-party information.

At Choppies, the ARC embraces the above statements as well as the recommendations of the King IV report and uses these as a guide to oversee IT processes delegated to it by the Board.

An established IT steering committee, together with the in-house Chief Technology Officer (“CTO”), ensures that all IT frameworks and policies are adhered to and are up to date. Governance processes are managed through an IT charter setting out the functions, responsibilities and procedures of the steering committee. All IT acquisitions fall within the same capital approval processes as other capital expenditure projects and would thus, based on value, be submitted to the Board for approval.

The Group has commenced with the implementation of the new ERP system which will be completed by FY2028.

No incidents of breaches in cybersecurity were reported during FY2026.

Whistleblowing measures

The ARC reviewed the reports from whistleblowers during the past year. All complaints received were addressed and no material incidents were confirmed.

Company Secretary

BP Consulting Services (Pty) Limited is the appointed Company Secretary. The Board assessed the Company secretarial function for the year under review and confirmed that BP Consulting Services continues to demonstrate the requisite level of knowledge and experience to carry out all duties.

Internal audit

An internal audit function is in place managed by the independent audit firm, BDO. The internal audit plan is risk-based, identifying risk areas covered on a rotation basis. In addition, all stores in the Group are covered by a physical audit at least once a year.

The ARC is satisfied with the approach and work of internal audit and considers it as an essential element in a combined assurance model. In addition, the ARC is satisfied that the internal audit function is independent, has unrestricted access to the ARC, and has the necessary resources to enable it to discharge its duties.

Report of the audit and risk committee ("ARC") continued for the year ended 30 June 2026

Going concern

In assessing whether the Company and the Group could operate as a going concern for at least the ensuing 12 months, the ARC considered the work done by management as set out in note 42 of the consolidated and separate annual financial statements. Having reviewed this work, the ARC concluded to recommend to the Board that the Company and Group can operate as going concerns for at least the next year to September 2027.

External auditors and audit report

It was noted that there was no disagreement between the auditors and management during the audit. Regular meetings between ARC members and the auditors with and without management took place.

In accordance with best-practice guidelines, audit partner rotation is adhered to with a new partner in place from FY2024. The audit firm rotation will be effected after 10 years from the initial engagement of the current auditors.

The ARC accepts the representations by the auditors on their independence.

External audit fees

Fees – non-audit services

The external auditors, Forvis Mazars, were not tasked with any non-audit services.

Fees – audit services

Fees for audit services that were approved by the ARC and Board for the respective years below can be summarised as follows:

Financial year – BWP	2026	2025
Choppies Botswana	3 880 000	3 880 000
Choppies Zimbabwe	-	406 821
Choppies Zambia	626 850	597 000
Choppies Namibia	467 250	411 369
Kamoso	3 870 000	4 300 000
Monyglob	87 768	82 800

Internal financial controls

Management is accountable to the Board for the design, implementation, monitoring and integrating of internal financial controls for the day-to-day running of the Group, focusing on the efficiency and effectiveness of operations, safeguarding the Group's assets, legal and regulatory compliance, business sustainability and reliable reporting, including financial reporting.

The ARC is satisfied that the Group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements following reviews and reports made by the independent internal and external auditors as well as management.

No findings have come to the attention of the committee to indicate that any material breakdown in internal controls has occurred during the past financial year.

Integrated report

The ARC evaluated the integrated report of the Group for the year ended 30 June 2026 and based on the information provided to the committee, considers that the Group complies in all material respects with the requirements of the Companies Act and IFRS, and the ARC recommended the integrated report to the Board for approval.

Key focus areas

Focus areas FY2026

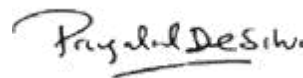
- Navigated the shifting economic landscape, particularly in Botswana
- Continuous adherence to all sustainability mandates
- Demonstrated robust governance.

Focus areas FY2027

- Market expansion and consolidation in core countries such as Botswana, Zambia and Namibia
- Supply chain optimisation and margin defence
- ESG, local sourcing and human capital.

Conclusion

Throughout FY2026, the ARC members have acted independently and with due regard to their fiduciary responsibilities as Independent Non-executive Directors. We trust that this report allowed shareholders an insight into the Company in terms of our charter.



RP De Silva

Audit and risk committee Chairman

16 September 2026

Independent auditor's report



To the Shareholders of Choppies Enterprises Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Choppies Enterprises Limited and its subsidiaries ("Choppies Group") set out on P 108 to 158 which comprise the consolidated and separate statement of financial position as at 30 June 2026, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Choppies Group as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of 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 and separate financial statements section of our report. We are independent of the Choppies Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of consolidated and separate financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Matter #01

Description of the key audit matter

How we addressed the key audit matter

Accounting for supplier rebate income

This key audit matter relates to the consolidated financial statements. Refer to the following note to the consolidated financial statements for detail:

Accounting policy Note 1.16 – Rebates from suppliers

As described in the group's accounting policy in note 1.16, the group recognises a reduction in cost of sales with regard to rebates agreements with suppliers.

The reduction in cost of sales primarily comprises of rebates from suppliers in relation to:

- Volume-related allowances,
- Promotional and marketing allowances, and
- Various other fees and discounts.

These rebates are received in connection with the purchase of goods for resale from those suppliers.

The recognition of supplier rebates has been considered to be a matter of most significance to the audit as there is a risk that rebates may be materially misstated due to the significant magnitude thereof, the varying terms with the suppliers and the judgements made in accruing for rebates as at year-end in relation to the nature and level of fulfilment of the group's obligation under the supplier agreements. Such agreements typically allow for various adjustments to the original selling price of goods subsequent to delivery of the goods, including (but not limited to) trade rebates, volume discounts (often measured using purchases over an extended period of time), early settlement discounts, advertising, and other allowances (collectively, "rebate income").

We performed the following audit procedures, amongst others:

- Evaluated the systems used to calculate rebates as well as the design, implementation and operating effectiveness of the controls implemented by management over the accuracy of the calculation of rebates.
- Tested the inputs used in calculating the supplier rebates by performing, among other, the following procedures for a sample of rebates:
 - Reviewed the major supplier agreements to understand their terms;
 - Evaluated management's conclusion as to whether the rebate relates to a specific and genuine service, and consequently the treatment of the rebate in relation to the measurement of the cost of inventory at year end, through comparison to prior year treatment and evaluation of the types and terms of rebates received with reference to contractual terms;
 - Recalculated and assessed the rebate amounts recognised and the period in which they were recognised. This was based on the review of contractual performance obligations on a sample of contracts with suppliers to assess the conditions required for supplier rebates to be recognised and whether these had been met;
- Evaluated the appropriateness of the recognition and classification of the rebates and other income and related costs in terms of the requirements of IAS 2, Inventories; and
- Assessed and evaluated the presentation and disclosure of the above matter, as set out in the note 1.16 of the financial statements (Rebates from suppliers).

Independent auditor's report continued

Matter #02

Description of the key audit matter	How we addressed the key audit matter
<p>Goodwill impairment</p> <p>This key audit matter relates to the consolidated financial statements. Refer to the following notes to the consolidated financial statements for details:</p> <ul style="list-style-type: none"> Accounting policy Note 1.2 – Basis of Consolidation; Accounting policy Note 1.2 – Goodwill; Accounting policy Note 1.22 – Significant judgements and sources of estimation uncertainty Note 17 – Goodwill <p>As required by both the applicable accounting standards and the group's accounting policy (note 1.2), goodwill is tested for impairment by assessing the recoverable amount of the cash-generating units (CGUs) to which the goodwill relates. The recoverable amount of each CGU that includes goodwill is determined as the higher of value in use, using a discounted cash flow model, and fair value less cost to sell, where applicable.</p> <p>There are several assumptions made in estimating the expected future cash flows, in calculating discount rates and the perpetuity growth rate used in the forecast model. Assumptions by their nature are a significant area of judgement.</p> <p>We have determined the above to be a key audit matter, due to the extensive audit effort to evaluate the assumptions and judgements applied by management with regard to projected cash flow forecasts.</p>	<p>We obtained the value-in-use calculations on the lowest level of CGUs and performed the following procedures:</p> <ul style="list-style-type: none"> Compared the future projected cash flows used in the models against historical achieved results to assess the appropriateness and reasonability; Compared the future projected cash flows used in the models against actual results achieved after year-end. Evaluated the valuation methodology applied by management for appropriateness against the requirements of IAS 36 and acceptable industry practices; Reviewed the reasonability and appropriateness of the discount rates by assessing the assumptions made by management in relation to current market data; Reviewed the reasonability of specific risk premium used in the calculation of the discount rates; Reviewed the reasonability of the perpetuity growth rate by assessing the assumptions made by management in relation to current market data; Recalculated the recoverable amount of each CGU to ensure mathematical accuracy; and Evaluated the completeness and appropriateness of disclosures against the requirements of IAS 36, <i>Impairment of Assets</i>.

Other information

The directors are responsible for other information. The other information comprises the information included in the document titled "Choppies Enterprises Limited Consolidated and Separate Annual Financial statements for the year ended 30 June 2026", which includes the Directors' Responsibilities and Approval of the Consolidated and Separate Financial Statements and the Chief Executive Officer and Chief Financial Officer Responsibility Statement, which we obtained prior to the date of this auditor's report, and the "Choppies Enterprises Limited Integrated Annual Report 2026", which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company'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 and/or company or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's report continued

Auditor's Responsibility for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 International Standards on Auditing 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 and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

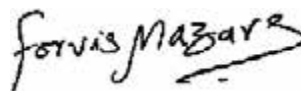
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 and the Company'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 and the Company'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 and separate 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 and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 latter 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.



Forvis Mazars
Certified Auditors

Practising member: **Devaprasad Arakkal**
Membership number: CAP 0036 2026

17 September 2026
Gaborone

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2026

		Group		Company	
Figures in Pula million	Note(s)	2026	2025	2026	2025
Continuing operations					
Revenue	4	9 889	9 173	-	-
Retail sales	4	9 822	9 107	-	-
Cost of sales	5	(7 806)	(7 214)	-	-
Gross profit		2 016	1 893	-	-
Other operating income	4	67	66	-	-
Profit on disposal of plant and equipment	6	1	2	-	-
Expected credit loss movement	7	(2)	(4)	-	(17)
Administrative expenses	8	(1 609)	(1 400)	(3)	(3)
Selling and distribution expenses	9	(57)	(53)	-	-
Foreign exchange gains on leases	7	4	2	-	-
Impairment losses	7	-	(7)	-	-
Gain on derecognition of payables	7	21	-	-	-
Other operating expenses	10	(198)	(167)	-	-
(Loss)/profit on sale of business	6	-	(14)	-	-
Operating profit/(loss)	7	243	318	(3)	(20)
Finance income	11	1	1	-	-
Finance costs	12	(113)	(101)	-	-
Profit/(Loss) before taxation		131	218	(3)	(20)
Taxation	13	(57)	(67)	-	-
Profit/(Loss) from continuing operations		74	151	(3)	(20)
Discontinued operations					
Loss from discontinued operations		-	(56)	-	-
Profit/(Loss) for the year		74	95	(3)	(20)

Figures in Pula million	Note(s)	Group		Company	
		2026	2025	2026	2025
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations		39	18	-	-
Hyperinflation reserve reclassified to profit or loss on disposal of the Zimbabwe segment		-	(312)	-	-
Foreign currency on translation reserves reclassified to profit or loss on disposal of the Zimbabwe segment		-	337	-	-
Total items that may be reclassified to profit/(loss)		39	43	-	-
Other comprehensive income for the year net of taxation		39	43	-	-
Total comprehensive profit/(loss) for the year		113	138	(3)	(20)

Statement of profit or loss and other comprehensive income continued
for the year ended 30 June 2026

Figures in Pula million	Note(s)	Group		Company	
		2026	2025	2026	2025
Profit/(Loss) attributable to:					
Owners of the parent		75	97	(3)	(20)
Non-controlling interest		(1)	(2)	-	-
		74	95	(3)	(20)
Non-controlling interest:					
From continuing operations		(1)	(2)	-	-
Total comprehensive income/(loss) attributable to:					
Owners of the parent		118	140	(3)	(20)
Non-controlling interest		(5)	(2)	-	-
		113	138	(3)	(20)
Basic earnings/(loss) per share - thebe					
From continuing and discontinued operations					
Continuing operations	14	4.1	8.4	-	-
Discontinued operations	14	-	(3.1)	-	-
		4.1	5.3	-	-
Diluted earnings/(loss) per share - thebe					
Continuing operations	14	4.1	8.3	-	-
Discontinued operations	14	-	(3.1)	-	-
		4.1	5.2	-	-

Statement of financial position

as at 30 June 2026

		Group		Company	
Figures in Pula million	Note(s)	2026	2025	2026	2025
Assets					
Non-current assets					
Property, plant and equipment	15	1 109	908	-	-
Right-of-use assets	16	719	712	-	-
Goodwill	17	111	110	-	-
Intangible assets	18	13	9	-	-
Investment in subsidiaries		-	-	451	451
Amounts due from related entities	22	42	41	-	-
Investments in new projects	19	60	40	-	-
Deferred tax	31	37	27	-	-
		2 091	1 847	451	451
Current assets					
Inventories	21	635	644	-	-
Amounts due from related entities	22	17	9	213	223
Advances and deposits	23	78	76	-	-
Trade and other receivables	24	131	177	1	1
Taxation refundable		6	12	-	-
Cash and cash equivalents	25	180	170	4	4
		1 047	1 088	218	228
Total assets		3 138	2 935	669	679

		Group		Company	
Figures in Pula million	Note(s)	2026	2025	2026	2025
Equity and liabilities					
Equity					
Equity attributable to equity holders of the parent					
Stated capital	26	1 207	1 207	1 207	1 207
Treasury shares	27	(27)	(28)	-	-
Foreign currency translation reserve	28	(316)	(359)	-	-
Accumulated loss		(423)	(469)	(809)	(777)
		441	351	398	430
Non-controlling interest	20	(132)	(127)	-	-
		309	224	398	430
Liabilities					
Non-current liabilities					
Long-term borrowings	29	184	112	-	-
Lease liabilities	30	654	636	-	-
Deferred tax liabilities	31	82	42	-	-
		920	790	-	-
Current liabilities					
Trade and other payables	33	1 369	1 360	1	2
Amounts due to related entities	32	41	28	270	247
Long-term borrowings	29	66	152	-	-
Lease liabilities	30	239	266	-	-
Taxation payable		12	30	-	-
Bank overdrafts	25	182	85	-	-
		1 909	1 921	271	249
Total liabilities		2 829	2 711	271	249
Total equity and liabilities		3 138	2 935	669	679



Statement of changes in equity

for the year ended 30 June 2026

Figures in Pula million

	Stated capital	Treasury shares	Foreign currency translation reserve	Hyperinflation translation reserve	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non- controlling interest	Total equity
Group								
Balance at 1 July 2024	1 207	(32)	(714)	312	(512)	261	(125)	136
Profit for the year	-	-	-	-	97	97	(2)	95
Other comprehensive income	-	-	355	(312)	-	43	-	43
Total comprehensive income for the year	-	-	355	(312)	97	140	(2)	138
Share-based payments	-	4	-	-	1	5	-	5
Dividends paid – note 35	-	-	-	-	(55)	(55)	-	(55)
Balance at 1 July 2025	1 207	(28)	(359)	-	(469)	351	(127)	224
Profit for the year	-	-	-	-	75	75	(1)	74
Other comprehensive income	-	-	43	-	-	43	(4)	39
Total comprehensive income for the year	-	-	43	-	75	118	(5)	113
Dividends paid – note 35	-	-	-	-	(29)	(29)	-	(29)
Purchase from the market	-	(1)	-	-	-	(1)	-	(1)
Share-based payments	-	2	-	-	-	2	-	2
Balance at 30 June 2026	1 207	(27)	(316)	-	(423)	441	(132)	309
Note(s)	26	27	28				20	



Statement of changes in equity continued for the year ended 30 June 2026

Figures in Pula million

Company

	Stated capital	Treasury shares	Foreign currency translation reserve	Hyperinflation translation reserve	Accumulated loss	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
Balance at 1 July 2024	1 207	-	-	-	(702)	505	-	505
Loss for the year	-	-	-	-	(20)	(20)	-	(20)
Total comprehensive loss for the year	-	-	-	-	(20)	(20)	-	(20)
Dividends paid - note 35	-	-	-	-	(55)	(55)	-	(55)
Balance at 1 July 2025	1 207	-	-	-	(777)	430	-	430
Loss for the year	-	-	-	-	(3)	(3)	-	(3)
Total comprehensive loss for the year	-	-	-	-	(3)	(3)	-	(3)
Dividends paid - note 35	-	-	-	-	(29)	(29)	-	(29)
Balance at 30 June 2026	1 207	-	-	-	(809)	398	-	398
Note(s)	26	27	28					

Statement of cash flows

for the year ended 30 June 2026

Figures in Pula million	Note(s)	Group		Company	
		2026	Restated 2025	2026	2025
Cash flows from operating activities					
Profit/(Loss) before taxation		131	218	(3)	(20)
Adjustments for non-cash or items presented elsewhere					
Depreciation and amortisation	7	331	288	-	-
Profit on disposal of plant and equipment	6	(1)	(2)	-	-
Unrealised foreign exchange losses		7	-	-	-
Loss on sale of Zimbabwe		-	14	-	-
Foreign exchange gains/(losses) on lease liability		(4)	(2)	-	-
Share-based payments		2	5	-	-
Net impairment losses		-	7	-	17
Expected credit loss movement		2	4	-	-
Gain on derecognition of payables		(21)	-	-	-
Finance income		(1)	(1)	-	-
Finance costs	12	113	101	-	-
Changes in working capital:					
Movement in inventories		10	21	-	-
Movement in trade and other receivables		44	(24)	-	(17)
Movement in advances and deposits		(2)	(5)	-	-
Movement in amount due from related entities		(7)	(6)	10	204
Movement in trade and other payables		26	155	(1)	-
Movement in amount due to related entities		13	6	23	(129)
Cash generated from/(used in) operations		643	779	29	55
Interest income		1	1	-	-
Dividends	35	(29)	(55)	(29)	(55)
Tax paid		(37)	(46)	-	-

Figures in Pula million	Note(s)	Group		Company	
		2026	Restated 2025	2026	2025
Net cash from operating activities		578	679	-	-
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(257)	(281)	-	-
Proceeds from sale of property, plant and equipment	15	10	3	-	-
Purchases of intangible assets	18	(6)	(4)	-	-
Discontinued operations	40	-	(34)	-	-
Acquisitions net of cash on acquisition		-	(13)	-	-
Net cash from investing activities		(253)	(329)	-	-
Cash flows from financing activities					
Treasury shares purchased from the market	27	(1)	-	-	-
Finance obtained from instalment sales leases	34	7	36	-	-
Financing obtained from third parties	34	152	-	-	-
Capital payments of borrowings	34	(173)	(92)	-	-
Instalment sale lease payments	34	(34)	(42)	-	-
Lease capital payments - right-of-use assets	34	(230)	(206)	-	-
Interest paid on borrowings	12	(105)	(92)	-	-
Net cash from financing activities		(384)	(396)	-	-
Total cash movement for the year		(59)	(46)	-	-
Cash and cash equivalents at the beginning of the year		85	125	4	4
Effect of foreign currency translation on foreign currency balances		(28)	6	-	-
Cash and cash equivalents at the end of the year	25	(2)	85	4	4

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

Accounting policies

for the year ended 30 June 2026

Corporate information

Choppies Enterprises Limited (“CEL, the Company”) is a public limited company incorporated and domiciled in the Republic of Botswana and listed on the Botswana Stock Exchange. The Company has a secondary listing on the Johannesburg Stock Exchange. The Company registration number is BW00001142508. The consolidated and separate annual financial statements comprise the Company and its subsidiaries (collectively referred to as “the Group”).

The business of the Group is concentrated in the retail supermarket industry.

1. Material accounting policies

The consolidated and separate annual financial statements (“the financial statements”) are prepared in accordance with the IFRS® Accounting Standards, the Botswana Companies Act, the Botswana Stock Exchange Listings Requirements and the Johannesburg Stock Exchange Listings Requirements.

1.1 Basis of preparation

The Group and Company financial statements are presented in Botswana Pula, which is also the functional currency of the Company and the presentation currency of the Group. All amounts have been rounded to the nearest million, except where otherwise stated.

Certain individual companies in the Group have different functional currencies and are translated on consolidation.

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The financial statements incorporate the following material accounting policies which are consistent with those applied in the previous year, except as otherwise indicated.

Judgements made by the Board in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in significant judgements and sources of estimation uncertainty in note 1.22.

1.2 Consolidation

Basis of consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Transaction costs are expensed as incurred except if it refers to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment (refer to note 17).

Goodwill

All goodwill is acquired through business combinations and initially measured as the excess of cost over the net fair value of the identifiable assets and liabilities acquired.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to the individual cash-generating units (“CGUs”) and is tested annually for impairment. An impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of the assets and liabilities of the unit including goodwill or the fair value less the cost of disposal of the CGU exceeds the carrying amount of the unit containing the goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified. An impairment loss in respect of goodwill is not reversed.

Investments in subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiaries are measured at cost less accumulated impairment losses in the Company financial statements.

Transactions eliminated on consolidation

Intragroup balances, and income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest (“NCI”)

NCIs are viewed as equity participants of the Group and all transactions with NCIs are therefore accounted for as equity transactions and included in the Group statement of changes in equity.

NCIs are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in the Group’s interests in subsidiaries

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	Over the lease term
Plant and machinery	Straight line	5 – 25 years
Furniture and fixtures	Straight line	10 – 14 years
Motor vehicles	Straight line	5 – 15 years
Office equipment	Straight line	5 – 15 years
Aircraft	Straight line	30 years
Computer hardware	Straight line	5 – 8 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Investments in new projects

Investments in new projects relate to capital expenditure incurred with regard to new stores to be opened in the following financial year. Investments in new projects are stated at cost. The amounts are transferred to respective asset classes when the assets are available for their intended use. Depreciation commences when the assets are ready for their intended use.

1.4 Intangible assets

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale
- There is an intention to complete and use or sell it
- There is an ability to use or sell it
- It will generate probable future economic benefits
- There are available technical, financial and other resources to complete the development and to use or sell the asset
- The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 – 10 years

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.5 Impairment of non-financial assets

The carrying values of non-financial assets (except for deferred tax assets and inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non-financial assets, such as goodwill, which have indefinite useful lives and are not subject to depreciation or amortisation, or that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised.

1.6 Leases

Group as lessee

At inception of the contract the Group considers whether a contract is, or contains a lease.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying

asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets (BWP60 000) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Group as lessor

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. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sublease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15, using relative standalone selling prices for the different components.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.6 Leases continued

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Operating lease income is included in other income (note 4).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 *Financial Instruments*.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (this category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost.

Note 39 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

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.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented as follows:

Amounts due from related entities at amortised cost

Classification

Amounts due from related entities (note 22) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these amounts due from related entities give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these amounts.

Recognition and measurement

Amounts due from related entities are recognised when the Group becomes a party to the contractual provisions of the amounts due. Amounts due from related entities are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the amounts due from related entities initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

A loss allowance is recognised for all amounts due from related entities, in accordance with IFRS 9 *Financial Instruments* by applying the simplified approach, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

The Mediland loan (note 22) arose from the sale of Mediland to related third parties and a loss allowance is recognised for all amounts due, in accordance with IFRS 9 *Financial Instruments* by applying the general approach.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.7 Financial instruments continued

Significant increase in credit risk continued

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management, the Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Third party loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries/reversals made are recognised in the statement of profit or loss and other comprehensive income as a movement in credit loss allowance (note 7).

Measurement and recognition of expected credit losses

The measurement of expected credit losses ("ECLs") 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 as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk is not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, and vice versa.

For amounts due from related entities measured using the simplified approach, the Group makes use of a provision matrix as a practical expedient to the determination of ECLs on these receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the related party, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 7).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 39).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable are included in profit or loss.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 24).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.7 Financial instruments continued

Trade and other receivables continued

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at transaction price in accordance with IFRS 15.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating expenses (note 7). Refer to note 39 for details of trade and other receivables in foreign currencies.

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 24).

Expected credit losses

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of ECLs is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime ECLs (lifetime ECL), which represents the ECLs that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of ECLs

The Group makes use of a provision matrix as a practical expedient to the determination of ECLs on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix are presented in note 24.

An ECL is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in profit or loss as a movement in credit loss allowance (note 7).

Write-off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Third-party loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 24) and the financial instruments and risk management note (note 39).

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.7 Financial instruments continued

Derecognition

Refer to the Derecognition section of the accounting policy (note 1.7) for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables are included in profit or loss.

Borrowings and loans from related entities

Classification

Amounts due to related entities (note 32) and borrowings (note 29) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related entities are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 12).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 33), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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.

If trade and other payables contain imputed interest, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 12).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 39 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains/(losses) (note 7).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 39).

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms. Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with IFRS 15 *Revenue from Contracts with Customers*.

With reference to note 29, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of recognising the financial guarantee liability. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.7 Financial instruments continued

Financial guarantee contracts continued

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the amounts disclosed in the maturity analysis in note 39.

Refer to note 36.1 for details of financial guarantee contracts.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which is deemed to be fair value due to their short-term nature.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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 party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group 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.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 Inventories

Inventories comprise merchandise for resale and consumables. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

The cost of inventories is based on the weighted average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, including distribution costs, and is stated net of relevant purchase incentives. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.9 Tax and deferred taxation

Deferred tax assets and liabilities

Deferred taxation is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is recognised in profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income (in which case it is recognised directly in equity or other comprehensive income) or a business combination. The effect on deferred tax of any changes in tax rates is recognised in the statement of profit or loss, except to the extent that it relates to items previously recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.9 Tax and deferred taxation continued

Tax expenses

Taxation comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income. Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, after taking account of income and expenditure which is not subject to taxation, and any adjustment to tax payable/refundable in respect of previous years.

Dividends withholding tax

Dividends withholding tax is a tax on shareholders and is applicable on all dividends declared. Withholding tax applicable in Botswana for both residents and non-residents is 10%. Dividends payable to non-exempt shareholders registered on the Johannesburg Stock Exchange are subject to 20% withholding tax in accordance with the South African Income Tax Act 58 of 1962, unless varied in accordance with any relevant Double Tax Agreement.

1.10 Stated capital and equity

Ordinary shares (with no par value) are classified as stated capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary shares are classified as equity.

Other components of equity include the following:

- Foreign currency translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into Botswana Pula
- Retained (loss)/profit – includes all current and prior period retained (loss)/profits
- Treasury shares – refer to accounting policy 1.11
- Hyperinflation reserve – this is the effect of all components of shareholders equity that are restated by applying a general price index from the beginning period or dates on which those items arose. This reserve unwound during the 2025 financial year
- Share-based payments expenses related to equity-settled transactions are recorded in retained earnings – refer to note 27.

1.11 Treasury shares

Treasury shares are held by Choppies Distribution Centre (Pty) Limited and these are presented as a deduction from equity. Dividend income on treasury shares is eliminated on consolidation.

1.12 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Employee entitlements to annual leave, bonuses, medical aid and housing benefits are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date.

Severance benefits

Employees who are not members of an approved pension scheme or entitled to gratuities per their employment contracts are entitled to severance benefits as regulated by the Botswana Labour Laws. An accrual is recognised for the estimated liability for services rendered by the employees up to reporting date, this is related to other long-term employee benefits.

Gratuity

The Group operates a gratuity scheme for expatriates in terms of employment contracts and a gratuity is not considered to be a retirement benefit plan as the benefits are payable on completion of the employment contract period of continuous employment or on termination of employment at the option of the employee. The expected gratuity liability is provided in full by way of accrual.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to approved defined contribution plans are recognised as personnel expenses in the profit or loss in the periods during which the related services were rendered.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.13 Revenue from contracts with customers

Revenue arises mainly from the sale of goods. Revenue is measured based on the transaction price specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or goods to a customer, generally upon the customer collecting the goods.

The Group often enters into transactions involving a range of the Group's products and goods, for example for the sale of consumer goods. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Payment terms in contracts with customers range from seven days to 30 days.

Revenue is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods to its customers. The Group does not recognise any financing component since the transfer of goods and related payments are not more than 12 months apart.

The Group provides customers with a right to return goods within thirty (30) days of purchase. For sales subject to a right of return, the Group recognises a refund liability, included in trade and other payables, for the expected refunds to customers. A corresponding asset is recognised within trade and other receivables for the Group's right to recover products expected to be returned. Estimates of expected returns are determined at the time of sale using historical return patterns and other relevant factors on a portfolio basis, applying the expected value method.

1.14 Translation of foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Botswana Pula at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities designated in foreign currencies are subsequently translated to Botswana Pula at the foreign exchange rate ruling at the reporting date. Non-monetary assets and liabilities are consistently translated at rates of exchange ruling at acquisition dates. Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, which are not entities operating in a hyperinflationary economy, including goodwill and fair value adjustments arising on acquisition, are translated at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at the weighted average rate of exchange for the year, except to the extent that the translation differences are allocated to NCI.

Profits or losses arising on the translation of assets and liabilities of foreign entities are recognised in other comprehensive income and presented within equity and shown separately in a foreign currency translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

1.15 Agency fees and commission

Commission from rendering of financial services and agency services is recognised over time as the services are provided in accordance with the terms of the agency agreement and is included in other income as it is not part of the Group's ordinary activities.

1.16 Rebates from suppliers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from those suppliers. Most of the income received from suppliers relates to adjustments to a core cost price of a product, and as such is considered part of the purchase price for that product. Sometimes receipt of the income is conditional on the Group performing specified actions or satisfying certain performance conditions associated with the purchase of the product. These include achieving agreed purchases or sales volume targets and providing promotional or marketing materials and activities or promotional product positioning.

Rebates from suppliers are recognised when earned by the Group, which for volume rebates involves estimation around meeting the contractual obligations.

Amounts due relating to rebates from suppliers are recognised within trade and other receivables, except in cases where the Group currently has a legally enforceable right of set-off and intends to offset amounts due from suppliers against amounts owed to those suppliers, in which case only the net amount receivable or payable is recognised. Accrued rebates are recognised within accrued income when rebates earned have not been invoiced at reporting date.

1.17 Finance income

Interest income is recognised as it accrues in profit or loss using the effective interest method.

1.18 Finance costs

Interest cost is recognised in profit or loss in the period in which these expenses are incurred using the effective interest method.

Accounting policies continued for the year ended 30 June 2026

1. Material accounting policies continued

1.19 Operating segments

The Group discloses segmental financial information which is being used internally by the entity's Group Chief Executive Officer ("CEO") identified as the chief operating decision-maker, in order to assess performance and allocate resources. Operating segments, per geographical regions, are aggregated for reporting purposes. The aggregated businesses in each region have similar economic characteristics. They are engaged in similar retail trade activities.

1.20 Dividend per share

Dividends per share are calculated based on the dividends declared during the year compared to the number of ordinary shares in issue at the time of declaration.

1.21 Basic earnings and headline earnings per share

The Group presents basic and diluted earnings per share ("EPS") and headline earnings per share ("HEPS") information for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Headline earnings are calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants as required by the Johannesburg Stock Exchange Listings Requirements.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all ordinary shares with dilutive potential. Full share grants have dilutive potential. The full share grants are assumed to have been converted into ordinary shares. It has no effect on net profit and therefore no adjustment is made to net profit for full share grants.

1.22 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

ECL on trade receivables

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period (refer to notes 22 and 24).

Allowance for slow-moving, damaged and obsolete inventory

The Group assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales (note 5).

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, the Group determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the CGU to which the asset belongs.

Useful lives of property, plant and equipment

The Group assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, plant and equipment, office equipment, furniture and fixtures, motor vehicles, IT equipment, leasehold improvements and aircraft are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful lives of property, plant and equipment are assessed annually based on a combination of comparison to industry, assessment of operational plans and strategies, actual experience and taking cognisance of advice from external experts.

Use of adjusted measures

Adjusted EBITDA and adjusted earnings before interest in the operating segmental information is excluding foreign exchange rate differences on IFRS 16 lease liabilities, cost of diesel to mitigate load-shedding, profit or loss on sale of assets, ECLs, as well as income or expenditure of a capital nature.

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

Operating segment information

for the year ended 30 June 2026

2. Segment results

Operating segments are identified based on financial information regularly reviewed by the Choppies Enterprises Limited Chief Executive Officer (identified as the chief operating decision-maker of the Group for IFRS 8 reporting purposes) for performance assessments and resource allocations.

The Group has five continuing operating segments (2025: five) as described below, which are its strategic divisions.

Performance is measured based on EBITDA, operating profit (EBIT), Adjusted EBITDA and Adjusted EBIT as the Board believes that such information is the most relevant

in evaluating the results of the segments against each other and other entities which operate within the retail industry.

- Botswana, Namibia and Zambia – retail of fast-moving consumer goods in the respective country
- Liquorama – retail and wholesale liquor business in Botswana
- Rest of Choppies – milling, manufacturing of tissue and bottled water hardware retail – aggregated as not meeting the 10% threshold.

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

* Adjusted EBITDA and adjusted EBIT in the operating segmental information are EBITDA and EBIT excluding foreign exchange rate differences on IFRS 16 lease liabilities, profit or loss on sale of assets, ECLs as well as income or expenditure of a capital nature.

Operating segment information continued
for the year ended 30 June 2026

2. Segment results continued

30 June 2025 – BWP millions

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



Notes to the consolidated and separate annual financial statements

for the year ended 30 June 2026

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Lack of exchangeability – amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for the years beginning on or after 1 January 2025.

There is no impact as the Group is not transacting with entities in economies subject to lack of exchangeability.

3.2 Disclosures about uncertainties in financial statements (Amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37)

These new illustrative examples provide guidance and clarification on applying some IFRS Accounting Standards, specifically explaining the treatment of uncertainties, especially those related to climate and similar risks. No-impact scenarios may now require disclosures, and these illustrative examples are effective immediately.

The amendments did not result in any additional estimation disclosures as the impacts of climate change on the business did not materially impact estimations applied.

3.3 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for its accounting periods beginning on or after 1 July 2026 or later periods:

IFRS 18 *Presentation and Disclosure in Financial Statements*

This is a new standard which replaces IAS 1 *Presentation of Financial Statements* and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely “operating profit” and “profit before financing and income taxes” also being required. These categories and subtotals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS-defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhances the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the standard is for years beginning on or after 1 January 2027.

The Group expects to adopt the standard for the first time in the 2028 consolidated and separate annual financial statements.

It is likely that the standard will have a material impact on the presentation of the Group's consolidated and separate annual financial statements and the impact is still being assessed.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

		Group		Company	
Figures in Pula million	Note(s)	2026	2025	2026	2025
4. Revenue					
Revenue from contracts with customers					
Sale of goods		9 822	9 107	-	-
Revenue other than from contracts with customers					
Commission received on financial services		56	45	-	-
Rental income		6	5	-	-
Transportation income		3	12	-	-
Miscellaneous income		2	4	-	-
		67	66	-	-
		9 889	9 173	-	-
The Group disaggregates revenue from customers as follows:					
Sales of merchandise and liquor		9 837	9 153	-	-
Milling and manufacturing		311	312	-	-
Commission received on financial services		56	45	-	-
Rental income		6	5	-	-
Transportation income		3	12	-	-
Miscellaneous income		2	4	-	-
Inter-segmental sales		(326)	(358)	-	-
		9 889	9 173	-	-
5. Cost of sales					
Sale of goods		7 806	7 214	-	-
Sale of goods includes foreign exchange gain of BWP11 million (2025: gain of BWP3 million).					
6. Other operating gains/(Losses)					
Gains/(Losses) on disposals					
Property, plant and equipment	15	1	2	-	-
(Loss)/Profit on sale of business		-	(14)	-	-
Total		1	(12)	-	-

Refer to note 40 for the sale of business.

		Group		Company	
Figures in Pula million	Note(s)	2026	2025	2026	2025
7. Operating profit/(loss)					
Operating profit/(loss) for the year is stated after charging (crediting) the following, among others:					
Auditor's remuneration - external					
Audit fees		13	12	-	-
Consulting and professional fees					
Consulting and professional services fees		24	14	2	2
Legal fees		3	5	1	1
		27	19	3	3
Employee costs					
Basic		673	611	-	-
Retirement benefit plans: defined contribution expense		27	21	-	-
Share-based payments		2	5	-	-
Total employee costs		702	637	-	-
Leases					
Variable lease payments		14	30	-	-
Short-term leases		26	-	-	-
Total lease expenses		40	30	-	-
Depreciation and amortisation					
Depreciation of property, plant and equipment		96	76	-	-
Depreciation of right-of-use assets		232	209	-	-
Amortisation of intangible assets		3	3	-	-
Total depreciation and amortisation		331	288	-	-

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
7. Operating profit/(loss) continued				
Impairments				
Software	-	5	-	-
Advances to suppliers	-	2	-	-
	-	7	-	-
Movement in credit loss allowances				
Trade and other receivables	2	4	-	17
Foreign exchange gain				
Foreign exchange gain	4	2	-	-
These gains relate to lease liabilities that are US Dollar-denominated and are valued at the spot rate at the reporting period resulting in a loss or gain.				
Gain on derecognition of payables				
Gain on derecognition of payables	21	-	-	-
The gain from the derecognition of payables arose from the discontinued operations of Kenya, Tanzania and Mozambique, which were discontinued during the 2019 financial year.				
8. Administrative expenses				
Accounting fees and secretarial charges	-	-	-	-
Auditor's remuneration	13	12	-	-
Bank charges	84	77	-	-
Computer expenses	54	44	-	-
Consulting and professional fees	24	14	2	2
Depreciation of right-of-use assets	232	209	-	-
Donations	2	4	-	-
Electricity and water charges	232	188	-	-
Employee costs	702	637	-	-
Insurance	29	25	-	-
Legal fees	3	5	1	1
Motor vehicle expenses	72	61	-	-
Other expenses	51	35	-	-
Security	71	59	-	-
Short-term leases	26	-	-	-
Variable lease payments	14	30	-	-
	1 609	1 400	3	3

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
9. Selling and distribution expenses				
Advertising	33	33	-	-
Travel and accommodation	17	15	-	-
Unrealised foreign exchange losses	7	4	-	-
Bad debts	-	1	-	-
	57	53	-	-
10. Other operating expenses				
Amortisation	3	3	-	-
Depreciation	96	76	-	-
Repairs and maintenance	99	86	-	-
Other expenses	-	2	-	-
	198	167	-	-
11. Finance income				
Investments in financial assets				
Bank	1	1	-	-
12. Finance costs				
Lease liabilities	84	70	-	-
Bank overdraft and borrowings	29	31	-	-
Total finance costs	113	101	-	-

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
13. Taxation				
Major components of the tax expense				
Current				
Income tax – current period	28	49	-	-
Income tax – prior period under-provision	1	1	-	-
	29	50	-	-
Deferred				
Originating and reversing temporary differences	28	17	-	-
	57	67	-	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting profit/(loss)	131	218	(3)	(20)
Tax at the applicable tax rate of 22% (2025: 22%)	29	48	(1)	(4)
Tax effect of adjustments on taxable income				
Unrecognised deferred tax asset	22	-	-	-
Prior year under-provision of current tax	-	1	-	-
Prior year under-provision of deferred tax	3	6	-	-
Disallowed expenses	6	10	1	4
Effects of different tax rates	(5)	2	-	-
Change in tax rate on deferred tax	2	-	-	-
	57	67	-	-

The tax losses carried forward for certain subsidiaries are BWP133 million (2025: BWP67 million) which can be claimed by these subsidiaries to reduce future tax payments. These losses cannot be offset across different legal entities and can be carried forward no longer than five years.

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
14. Earnings per share attributable to the parent				
Number of shares for basic earnings	1 824 461 674	1 824 461 674	-	-
Weighted average number of shares	1 824 461 674	1 824 461 674	-	-
Diluted weighted average number of shares	1 827 470 261	1 852 580 135	-	-
Basic earnings per share – thebe				
From continuing operations	4.1	8.4	-	-
From discontinued operations	-	(3.1)	-	-
	4.1	5.3	-	-
Diluted earnings per share – thebe				
From continuing operations	4.1	8.3	-	-
From discontinued operations	-	(3.1)	-	-
	4.1	5.2	-	-

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

14. Earnings per share attributable to the parent continued

Headline earnings and diluted headline earnings per share

The calculation of headline earnings and diluted headline earnings per share is based on the weighted average number of ordinary shares in issue during the year.

	2026			2025		
	Gross	Income tax effect	Net	Gross	Income tax effect	Net
<i>Figures in Pula million</i>						
Continuing operations						
Profit for the year attributable to owners of the Company						
Basic earnings			75.0			153.0
Profit on disposal of asset	(1.0)	0.2	(0.8)	(2.0)	-	(2.0)
Impairments	-	-	-	7.0	(1.0)	6.0
Profit/(Loss) on sale of business	-	-	-	14.0	-	14.0
Headline earnings			74.2			171.0
Headline earnings per share						
From continuing operations per share – thebe			4.1	9.4	-	-
From discontinued operations per share – thebe			-	(1.3)	-	-
			4.1	8.1	-	-
Diluted headline earnings per share						
From continuing operations per share – thebe			4.1	9.3	-	-
From discontinued operations per share – thebe			-	(1.3)	-	-
			4.1	8.0	-	-

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

15. Property, plant and equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Figures in Pula million</i>						
Group						
Leasehold improvements	72	(23)	49	61	(20)	41
Plant and machinery	937	(423)	514	785	(377)	408
Furniture and fixtures	296	(157)	139	272	(148)	124
Motor vehicles	377	(149)	228	319	(127)	192
Office equipment	109	(83)	26	109	(83)	26
Computer hardware	277	(158)	119	219	(136)	83
Aircraft	58	(24)	34	58	(24)	34
Total	2 126	(1 017)	1 109	1 823	(915)	908

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

15. Property, plant and equipment continued

Reconciliation of property, plant and equipment – Group – 2026

Figures in Pula million

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Computer hardware	Aircraft	Total
Opening balance								
Cost	61	785	272	319	109	219	58	1 823
Accumulated depreciation and impairment	(20)	(377)	(148)	(127)	(83)	(136)	(24)	(915)
Net book value at 1 July 2025	41	408	124	192	26	83	34	908
Additions	10	89	22	60	1	52	-	234
Disposals and scrappings – cost	(1)	(9)	(8)	(13)	(1)	(4)	-	(36)
Disposals and scrappings – accumulated depreciation	-	9	7	7	1	4	-	28
Foreign exchange movements – cost	3	72	9	11	2	9	-	106
Foreign exchange movements – accumulated depreciation	(1)	(22)	(2)	(5)	(1)	(4)	-	(35)
Depreciation	(3)	(33)	(13)	(24)	(2)	(21)	-	(96)
Net book value at 30 June 2026	49	514	139	228	26	119	34	1 109
Made up as follows:								
Cost	72	937	296	377	109	277	58	2 126
Accumulated depreciation and impairment	(23)	(423)	(157)	(149)	(83)	(158)	(24)	(1 017)
	49	514	139	228	26	119	34	1 109

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

15. Property, plant and equipment continued

Reconciliation of property, plant and equipment – Group – 2025

Figures in Pula million

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Computer hardware	Aircraft	Total
Opening balance								
Cost	76	689	260	283	109	181	58	1 656
Accumulated depreciation and impairment	(24)	(374)	(151)	(115)	(82)	(133)	(23)	(902)
Net book value at 1 July 2024	52	315	109	168	27	48	35	754
Additions	13	116	26	46	-	48	-	249
Acquisition	-	6	-	-	-	-	-	6
Disposals and scrappings – cost	(28)	(31)	(15)	(10)	-	(9)	-	(93)
Disposals and scrappings – accumulated depreciation	6	28	15	7	-	9	-	65
Foreign exchange movements – cost	-	5	-	-	-	-	-	5
Foreign exchange movements – accumulated depreciation	-	(2)	-	-	-	-	-	(2)
Depreciation	(2)	(29)	(11)	(19)	(1)	(13)	(1)	(76)
Net book value at 30 June 2025	41	408	124	192	26	83	34	908
Made up as follows:								
Cost	61	785	272	319	109	219	58	1 823
Accumulated depreciation and impairment	(20)	(377)	(148)	(127)	(83)	(136)	(24)	(915)
	41	408	124	192	26	83	34	908

Property, plant and equipment encumbered as security

Details of assets that serve as security for the Group's borrowings are presented in note 29 Borrowings.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

16. Right-of-use assets

Figures in Pula million

Group	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1 544	(825)	719	1 705	(993)	712

Figures in Pula million	Group		Company	
	2026	2025	2026	2025
Reconciliation of right-of-use asset				
Cost	1 705	1 632	-	-
Accumulated depreciation	(993)	(878)	-	-
Net book value at 1 July	712	754	-	-
Additions	229	224	-	-
Disposals – cost	(435)	(153)	-	-
Disposals – accumulated depreciation	424	96	-	-
Foreign exchange movements – cost	45	2	-	-
Foreign exchange movements – accumulated depreciation	(24)	(2)	-	-
Depreciation	(232)	(209)	-	-
	719	712	-	-
Cost	1 544	1 705	-	-
Accumulated depreciation	(825)	(993)	-	-
	719	712	-	-

Refer to note 30 for details of the corresponding IFRS 16 *Leases* and note 34 for changes in lease liabilities arising from cash flow activities.

Other disclosures

Interest expense on lease liabilities	84	70	-	-
Short-term lease payments	26	-	-	-
Variable lease payments not included in the measurement of lease liabilities included in operating expenses	14	30	-	-

17. Goodwill

Group	2026			2025		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	111	-	111	110	-	110

Figures in Pula million	Group		Company	
	2026	2025	2026	2025
Opening balance	110	108	-	-
Acquisition	-	5	-	-
Impairment – Zimbabwe	-	(3)	-	-
Effects of movement in exchange rates	1	-	-	-
	111	110	-	-

Impairment

The valuation of goodwill at the reporting date was determined by comparing the value in use of the CGUs to the carrying amounts of the assets and liabilities within the CGUs. The value in use is determined by comparing the present value of estimated incremental future cash flows to the carrying amount. This was based on five-year cash flow projections based on the most recent budgets approved by the Board and extrapolations of cash flows. The growth rates incorporated in the projections do not exceed the average long-term growth rates for the market in which the CGU operates.

Notes to the consolidated and separate annual financial statements continued
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17. Goodwill continued

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
Goodwill is allocated to the CGUs of the main operations as follows:				
Goodwill				
Kamoso Africa (Pty) Limited	105	105	-	-
Choppies Supermarkets Namibia (Pty) Limited	5	4	-	-
Shaysons Namibia (Pty) Limited	1	1	-	-
	111	110	-	-
<i>Kamoso Africa (Pty) Limited</i>				
The following assumptions were applied in the evaluation of goodwill, the discount rate being 13.1% (2025: 12.4%)				
Average sales growth rate				
In Kamoso	5%	5%	-	-
Terminal value multiple	5 times	5 times	-	-
Choppies Namibia	12%	12%	-	-
Shaysons Namibia	20%	20%	-	-
Five-year average inflation rate				
In Kamoso	6%	6%	-	-
Choppies Namibia	6%	6%	-	-
Shaysons Namibia	10%	10%	-	-
Five-year gross profit margin				
In Kamoso – percentage	15%	15%	-	-
Choppies Namibia	18%	18%	-	-
Shaysons Namibia	24%	24%	-	-

In assessing sustainable cash flows, management has considered the risks specific to the CGU, inflation on input and operating costs and sales growth rates.

The average sales growth rate applied for the periods beyond 2026 takes into consideration the cost escalation rates which are linked to uncertainty created by negative global macro factors and a challenging local operating environment.

The discount rates used in the discounted cash flow models are calculated using the principles of the capital asset pricing model, considering the current market conditions in Botswana. A pre-tax weighted-average cost-of-capital ("WACC") rate of 16.8% (2025: 15.9%) was used.

The value-in-use calculations and impairment reviews are sensitive to changes in key assumptions, particularly relating to growth rates and the terminal value multiple. A sensitivity analysis has been performed based on changes in these key assumptions. With a 0% growth rate in sales and a terminal value multiple of zero, the estimated recoverable amounts of the CGUs exceed their carrying amounts.

Kamoso acquisition goodwill and its allocation to CGUs

Goodwill obtained in the acquisition of the Kamoso Group is allocated to the individual CGUs that are expected to benefit from the synergies on the acquisition. On this basis, it was allocated as follows:

Liquorama segment	BWP62 million
Rest of Kamoso segment	BWP43 million
Total	BWP105 million

We used the discounted cash flows of each segment to determine the allocation of the total goodwill as this is most reflective of the synergies.

Notes to the consolidated and separate annual financial statements continued
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18. Intangible assets

Group <i>Figures in Pula million</i>	2026			2025		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	36	(23)	13	27	(18)	9

<i>Figures in Pula million</i>	Group		Company	
	2026	2025	2026	2025
Reconciliation of intangible assets – Group				
Cost	27	22	-	-
Accumulated amortisation	(18)	(15)	-	-
Net book value at 1 July	9	7	-	-
Additions	8	4	-	-
Foreign currency translation reserve	(1)	1	-	-
Amortisation	(3)	(3)	-	-
	13	9	-	-
Comprising				
Cost	36	27	-	-
Accumulated amortisation	(23)	(18)	-	-
	13	9	-	-

19. Investments in new projects

These amounts relate to capital expenditure incurred with regard to new stores and other assets not yet brought into use. The amounts are non-current in nature and will be transferred to property, plant and equipment when the store opens.

Investments in new projects are reconciled as follows:				
Balance at the beginning of the year	40	9	-	-
Additions	22	32	-	-
Transferred to property, plant and equipment	(10)	(1)	-	-
Effects of exchange rates	8	-	-	-
	60	40	-	-

20. Investments in subsidiaries

The following table lists the entities which are controlled directly by the Company, and the carrying amounts of the investments in the Company's separate financial statements.

Company <i>Name of company Figures in Pula million</i>	% ownership interest 2026	% ownership interest 2025	Carrying amount 2026	Carrying amount 2025
Choppies Distribution Centre (Pty) Limited	100%	100%	451	451
Choppies Supermarkets Namibia (Pty) Limited	2.50%	2.50%	-	-
Choppies Supermarkets Tanzania Limited	75%	75%	13	13
Choppies Supermarkets Tanzania Limited – impairment	-	-	(13)	(13)
Choppies Enterprises Kenya Limited	75%	75%	179	179
Choppies Enterprises Kenya Limited – impairment	-	-	(179)	(179)
Choppies Distribution Centre Kenya Limited	75%	75%	-	-
Choppies Supermarket Mozambique Limitada	90%	90%	34	34
Choppies Supermarkets Mozambique Limitada – impairment	-	-	(34)	(34)
Choppies Supermarkets Limited (Zambia)	30%	30%	-	-
Nanavac Investments (Pvt) Limited	100%	100%	-	-
			451	451

Choppies Distribution Centre (Pty) Limited

Choppies Supermarkets Namibia (Pty) Limited	97.50%	97.50%	84	84
Choppies Supermarkets Limited (Zambia)	60%	60%	158	158
Kamoso Africa (Pty) Limited (Botswana)	76%	76%	-	-
Monyglob (Pty) Limited	100%	100%	12	12
Jexman Holdings (Pty) Limited	100%	100%	-	-
			254	254

As Choppies Distribution Centre (Pty) Limited is a wholly owned subsidiary of the Company, the Company retains majority control over these subsidiaries. The BWP254 million carrying amount is the value of the investment indirectly held.

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

20. Investments in subsidiaries continued

Summarised financial information of material subsidiaries with material non-controlling interest

	Kamoso Africa (Pty) Limited		Choppies Supermarkets Limited (Zambia)		Total	
<i>Figures in Pula million</i>	2026	2025	2026	2025	2026	2025
Summarised statement of profit or loss and other comprehensive income						
Revenue	1 308	1 417	2 087	1 464	3 395	2 881
Other income and expenses	(1 318)	(1 446)	(2 114)	(1 433)	(3 432)	(2 879)
Profit/(Loss) from continuing operations	(10)	(29)	(27)	31	(37)	2
(Loss)/Profit from total operations	(10)	(29)	(27)	31	(37)	2
Other comprehensive income	(3)	-	41	9	38	9
Total comprehensive income	(13)	(29)	14	40	1	11
Profit allocated to NCI	(3)	(7)	(3)	3	(6)	(4)
OCI allocated to NCI	(1)	-	4	1	3	1
Summarised statement of financial position						
Assets						
Non-current	367	305	388	251	755	556
Current	175	264	280	219	455	483
Total assets	542	569	668	470	1 210	1 039
Liabilities						
Non-current	(271)	(286)	(149)	(49)	(420)	(335)
Current	(317)	(315)	(417)	(333)	(734)	(648)
Total liabilities	(588)	(601)	(566)	(382)	(1 154)	(983)
Total net (liabilities) asset	(46)	(32)	102	88	56	56
Summarised statement of cash flows						
Cash flows from operating activities	128	93	122	119	250	212
Cash flows from investing activities	(41)	(31)	(91)	(112)	(132)	(143)
Cash flows from financing activities	(2)	(65)	7	(20)	5	(85)
Net increase/(decrease) in cash and cash equivalents	85	(3)	38	(13)	123	(16)

Assessment of investments in subsidiaries for impairment

The Company assesses investments in subsidiaries for potential impairment when impairment indicators have been identified. The Company assesses the current and future financial performance of these subsidiaries, taking into account the Company's business model (five-year projection). An impairment loss is recognised if a subsidiary does not show a cumulative profitable return over the next five years from the year-end. All investments in subsidiaries are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the investment's recoverable amount exceeds its carrying amount. Future performance was assessed based on cash flow projections for the Group's subsidiaries below and the following key assumptions:

	Discount rate - pre-tax		Trading profit growth rate		EBITDA multiples	
	2026	2025	2026	2025	2026	2025
Choppies Distribution Centre (Pty) Limited	16.8	15.9	6.0%	6.0%	9	9
Choppies Supermarkets Namibia (Pty) Limited	16.8	15.9	10.0%	10.0%	5	5
Choppies Supermarkets Limited (Zambia)	16.8	15.9	15.0%	15.0%	7	7
Jexman Holdings (Pty) Limited	16.8	15.9	10.0%	10.0%	7	7
Kamoso Africa (Pty) Limited Group	16.8	15.9	6.0%	6.0%	7	7

The Group reviewed the projections and operations of the regions, namely Botswana, Namibia and Zambia, and remains optimistic about these regions as they are showing good growth and adding value to the Group. As a result, the Group did not impair these investments in FY2026 due to the expected positive EBITDA and increase in value based on future projections.

Notes to the consolidated and separate annual financial statements continued
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	Group		Company	
Figures in Pula million	2026	2025	2026	2025
21. Inventories				
Merchandise	659	676	-	-
Finished goods	29	24	-	-
Goods in transit	1	3	-	-
	689	703	-	-
Provision for inventory obsolescence	(54)	(59)	-	-
	635	644	-	-
Cost of inventory recognised as expense during the year	7 806	7 214	-	-
Write-down of inventories	66	89	-	-
Reversal of write-downs	-	1	-	-

Details of assets that serve as security for the Group's borrowings are presented in note 29 Borrowings.

22. Amounts due from related entities				
Amounts due from related entities – other related entities	17	9	213	223
Amounts due from related entities – Mediland	42	41	-	-
	59	50	213	223

Transactions with related entities are carried out on mutually agreed terms and conditions in the normal course of business on an arm's length basis. Refer to note 37 for the details of related party balances and transactions.

All amounts are short term except for the Mediland (Pty) Limited loan. The carrying values of amounts due from related entities are considered to be a reasonable approximation of fair value.

The amounts were deemed recoverable and as a result, the ECL allowance was deemed to be immaterial.

The loan to Mediland is secured by a pledge over the shares in Mediland Healthcare Distributors (Pty) Limited and bears interest at 2.65% per annum and is repayable over five years.

Details of assets that serve as security for the Group's borrowings are presented in note 29 Borrowings.

Exposure to credit risk

Amounts due from related entities inherently expose the Group to credit risk, being the risk that the Group will incur a financial loss if counterparties fail to make payments as they fall due.

A loss allowance is recognised for all amounts due from related entities, in accordance with IFRS 9 *Financial Instruments*, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

The Mediland loan loss allowances are recognised for all amounts due in accordance with IFRS 9 *Financial Instruments* by applying the general approach.

Under this model, the loss allowance is reassessed at each reporting date based on changes in credit risk since initial recognition.

At the reporting date, the loan was assessed to have a low credit risk as the counterparty demonstrated a strong capacity to repay the loan. In line with IFRS 9, this indicates that the credit risk has not increased significantly since initial recognition and a 12-month ECL continues to be applied.

Based on this assessment, including historical repayment performance and forward-looking information including forecasts and general economic conditions of the industry as at the reporting date, the Group determined that the ECL is immaterial. Accordingly, no material loss allowance has been recognised.

The Group measures the loss allowance for all other amounts due from related entities by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on amounts due from related entities is determined as the lifetime ECLs on amounts due from related entities. These lifetime ECLs are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of amounts due from related entities but also incorporates forecast and general economic conditions of the industry as at the reporting date. The lifetime ECL is expected to be immaterial or almost nil based on past experience as a result of low risk of default and no amounts are past due.

At the Company level, an impairment loss from related entities is recognised using the general approach based on management's assessment of the related party's inability to repay the amounts advanced in the near future.

No provisions for ECLs have been recognised in FY2026 and FY2025, as historical collections indicate a negligible risk of default. Management reviews outstanding receivables periodically, and all current balances are deemed fully collectible.

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	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
23. Advances and deposits				
Prepaid expenses	9	7	-	-
Rent deposits	17	14	-	-
Other deposits	1	1	-	-
Electricity deposits	5	4	-	-
Advances to suppliers	42	48	-	-
Other advances	4	2	-	-
	78	76	-	-
Advances to suppliers are prepayments for inventory and services.				
24. Trade and other receivables				
Financial instruments				
Trade receivables	53	52	-	-
Loss allowance	(34)	(32)	-	-
Trade receivables at amortised cost	19	20	-	-
Rebate receivable	54	59	-	-
Other receivable	39	74	1	1
Non-financial instruments				
Value added tax	19	24	-	-
Total trade and other receivables	131	177	1	1
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	112	153	1	1
Non-financial instruments	19	24	-	-
	131	177	1	1

Other receivables include balances relating to counterparties for transacting in money transfers, electricity and satellite television subscriptions. Details of assets that serve as security for the Group's borrowings are presented in note 29 Borrowings.

Exposure to credit risk

Trade and other 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. Trade receivables arise from retail sales. Retail trade is located in Botswana, Namibia and Zambia. Credit risk is assessed and monitored internally along these risk concentrations. The Company is exposed to credit risk if counterparties fail to make payments as they fall due.

The Group applies the simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company uses a provision matrix to measure the ECL of trade receivables from various customer groups. Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of clients and products.

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. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

Credit risk on rebates receivable

These rebates receivable are recovered from supplier payments and the Group does not expect any credit loss. Rebate receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows.

Credit risk on other receivables

A provision for ECLs is not considered necessary for other receivables. The receivables consist entirely of high-credit-quality institutional customers with an established history of zero defaults. Management reviews ageing reports monthly and has determined the risk of non-payment to be immaterial.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

24. Trade and other receivables continued

Group <i>Figures in Pula million</i>	2026 Estimated gross carrying amount at default	2026 Loss allowance (lifetime ECL)	2025 Estimated gross carrying amount at default	2025 Loss allowance (lifetime ECL)
ECL rate				
Not past due: 7% (2025: 3%)	14	(1)	11	-
Past due 1 – 30 days: 25% (2025: 10%)	4	(1)	4	(1)
Past due 31 – 60 days: 50% (2025: 38%)	2	(1)	4	(2)
Past due 61 – 90 days: 33% (2025: 43%)	3	(1)	3	(1)
More than 90 days past due: 100% (2025: 94%)	30	(30)	30	(28)
Total	53	(34)	52	(32)
Reconciliation of loss allowances				

The following table shows the movement in the loss allowance (lifetime ECLs) for trade and other receivables:

Opening balance	(32)	(28)	-	-
Provisions raised	(3)	(4)	-	-
Provisions reversed	1	-	-	-
Closing balance	(34)	(32)	-	-

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature of these balances. Trade and other receivables of BWP131 million are pledged as security for borrowing facilities as detailed in note 29.

25. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11	14	-	-
Bank balances	169	156	4	4
Bank overdrafts	(182)	(85)	-	-
	(2)	85	4	4

	Group 2026	2025	Company 2026	2025
<i>Figures in Pula million</i>				
Current assets	180	170	4	4
Current liabilities	(182)	(85)	-	-
	(2)	85	4	4

Overdrafts are secured by assets as part of the Group's general borrowings, refer to note 29.

Details of assets that serve as security for the Group's borrowings are presented in note 29 Borrowings.

26. Stated capital

Issued ordinary shares – '000s	1 824 462	1 824 462	1 824 462	1 824 462
Issued stated capital – Pula millions				
At the beginning of the year	1 207	1 207	1 207	1 207

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank pari passu with regard to the Company's residual assets.

27. Treasury shares

Total number of shares held as treasury shares – millions	5.2	9.1	-	-
Total number of shares held as treasury shares – millions				
Balance at the beginning of the year	9.1	15.6	-	-
Shares utilised for settlement of equity-settled share-based arrangements	(5.4)	(6.5)	-	-
Purchased from the market at 0.74 thebe	1.5	-	-	-
Balance at the end of the year	5.2	9.1	-	-
Value of shares at cost	27	28	-	-

The Group's treasury shares comprise the cost of the Company's shares held by Choppies Distribution Centre (Pty) Limited, a wholly owned subsidiary.

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

27. Treasury shares continued

Share-based payments

The Group issues equity-settled share options to certain employees. The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which the employees become unconditionally entitled to the option. Fair value is measured using the Black-Scholes model taking into account the terms and conditions upon which the options are granted. The risk-free rate, dividend yield, share price volatility and attrition rate key assumptions used in the valuation model are based on management's best estimate at the date of valuation.

At each reporting date, the estimate of the number of options that are expected to vest based on the non-market vesting conditions is revised. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

These share options vest and are exercisable in tranches of 33.3% on the first, second and third anniversary of the award. The vesting of the share options is dependent on the employee being employed within the Group at the vesting date and exercising the option within the 30-day exercise period.

During the period under review, options of 890 500 (2025: nil) were granted. The share-based payments relating to options granted were valued at BWP1.6 million (2025: BWP5.0 million).

Reconciliation of share options for the year	2026		2025	
	Weighted average exercise price – thebe	Number of options – millions	Weighted average exercise price – thebe	Number of options – millions
Outstanding options at beginning of the year	0.52	22.4	0.52	28.9
Shares vested during the year	0.50	(5.4)	0.65	(6.5)
New options granted	0.50	1.0	-	-
Forfeited due to resignations	0.50	(14.0)	-	-
Outstanding options at end of the year	0.61	4.00	0.52	22.4

	Group		Company	
	2026	2025	2026	2025
<i>Figures in Pula million</i>				
28. Foreign currency translation reserve				
This reserve is used to record exchange differences arising from the translation of the results of foreign subsidiaries.				
Opening balance	(359)	(714)	-	-
Exchange differences on translating foreign operations	43	18	-	-
Sale of business	-	337	-	-
	(316)	(359)	-	-
Foreign currency translation reserve comprises:				
Foreign currency translation reserve – continuing operations	(316)	(359)	-	-
29. Borrowings				
Bank borrowings	186	207	-	-
Loans from non-controlling interest	57	51	-	-
Loans from shareholders	7	6	-	-
	250	264	-	-
Current portion of borrowings	(66)	(152)	-	-
	184	112	-	-
Secured	186	207	-	-
Unsecured	64	57	-	-
	250	264	-	-
Split between non-current and current portions				
Non-current liabilities	184	112	-	-
Current liabilities	66	152	-	-
	250	264	-	-

Notes to the consolidated and separate annual financial statements continued
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	Group		Company	
Figures in Pula million	2026	2025	2026	2025
29. Borrowings continued				
Borrowings analysed by currency				
Botswana Pula	135	264	-	-
Zambian Kwacha	49	-	-	-
US Dollars	66	-	-	-
	250	264	-	-
The assets for security are as follows				
Property, plant and equipment – note 15	700	636	-	-
Inventories – note 21	362	-	-	-
Amounts due from related entities – note 22	12	-	-	-
Trade and other receivables – note 24	86	-	-	-
	1 160	636	-	-

Refer to note 34 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 39 Financial instruments and financial risk management for the fair value of borrowings.

Certain borrowings outstanding as at the 2025 financial year-end, were subject to covenants. These borrowings were repaid in full during the current financial year, and the Group's current borrowings are not subject to any covenants.

Interest is calculated based on the rate of interest on each loan per annum which is the aggregate of the applicable: (a) the margin and (b) the reference rate, being the Botswana prime lending rate. Interest accrues on a day-to-day basis and is calculated based on 365 days and the actual number of days elapsed on a 365 days per basis. Interest shall accrue on each facility on each interest payment date. The first interest period shall begin at the utilisation date of each loan.

The loans from non-controlling interest of BWP19 million (2025: BWP16 million) bear interest at a rate of prime plus 10% while the remaining loan of BWP38 million (2025: BWP35 million) bears interest at prime. The loans are unsecured and fully subordinated in favour of other creditors.

The loan from the shareholder bears interest at a rate equal to prime plus 10%. The loan is unsecured and fully subordinated in favour of other creditors.

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
Security				
Deeds of hypothecation registered over all of the assets (including brands, bank accounts, stock-in-trade, receivables and fixed assets) of Choppies Enterprises Limited.				
At the reporting date, borrowings were repayable as follows:				
Minimum payments due				
– Not later than one month	8	9	-	-
– Later than one month and not later than three months	16	20	-	-
– Later than three months and not later than one year	69	146	-	-
– 13 to 24 months	68	51	-	-
– 25 to 36 months	57	31	-	-
– 37 to 48 months	45	35	-	-
– 48 months and older	71	8	-	-
	334	300	-	-
Less: Future finance charges	(84)	(36)	-	-
Present value of borrowings	250	264	-	-
Present value of minimum payments due				
– Not later than one month	5	9	-	-
– Later than one month and not later than three months	11	18	-	-
– Later than three months and not later than one year	50	125	-	-
– 13 to 24 months	46	41	-	-
– 25 to 36 months	42	25	-	-
– 37 to 48 months	32	30	-	-
– 48 months and older	64	16	-	-
	250	264	-	-

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
30. Lease liabilities				
Minimum lease payments due				
- Not later than one month	28	36	-	-
- Later than one month and not later than three months	55	58	-	-
- Later than three months and not later than one year	231	217	-	-
- 13 to 24 months	258	244	-	-
- 25 to 36 months	204	198	-	-
- 37 to 48 months	220	229	-	-
- 48 months and older	126	102	-	-
	1 122	1 084	-	-
Less: Future finance charges	(229)	(182)	-	-
Present value of lease payments	893	902	-	-
Present value of minimum lease payments due				
- Not later than one month	21	29	-	-
- Later than one month and not later than three months	42	46	-	-
- Later than three months and not later than one year	176	191	-	-
- 13 to 24 months	205	199	-	-
- 25 to 36 months	167	167	-	-
- 37 to 48 months	179	200	-	-
- 48 months and older	103	70	-	-
	893	902	-	-
Immoveable property	857	843	-	-
Moveable property	36	59	-	-
	893	902	-	-
Non-current liabilities	654	636	-	-
Current liabilities	239	266	-	-
	893	902	-	-

The moveable property liabilities bear interest at the prime lending rate plus 0.5% – 2.0% for Namibia and the prime lending rate plus 1.2% for Botswana.

Refer to note 34 Changes in liabilities arising from financing activities for details of the movement in the lease liabilities.

Details of leases

The Group has leases for businesses it operates in (Botswana, Namibia and Zambia). With the exception of short-term leases, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 15).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. Most leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
Short-term lease payments	26	-	-	-
Variable lease payments	14	30	-	-

Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset. Variable lease payments are expensed in the period they are incurred.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

30. Lease liabilities continued

Additional information on the leased assets by class of assets is as follows:

	Carrying amounts	Depreciation expense	Impairment
30 June 2026			
Buildings	719	232	-
Motor vehicles	78	4	-
Solar equipment	19	1	-
	816	237	-
30 June 2025			
Buildings	712	209	-
Motor vehicles	92	8	-
Solar equipment	17	1	-
	821	218	-

The leased assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
31. Deferred tax asset and liability				
Reconciliation of deferred tax asset/(liability)				
At beginning of year	(15)	(1)	-	-
Charge to profit/(loss)	(28)	(17)	-	-
Foreign exchange differences	(2)	3	-	-
	(45)	(15)	-	-
Deferred tax liability				
Accelerated capital allowances	(131)	(26)	-	-
Right-of-use asset	(145)	(109)	-	-
Unrealised foreign exchange gain	(7)	(14)	-	-
Total deferred tax liability	(283)	(149)	-	-

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
Deferred tax asset				
Provisions	11	-	-	-
Tax losses carried forward	55	-	-	-
Lease liabilities	172	134	-	-
Total deferred tax asset	238	134	-	-
Deferred tax liability	(283)	(149)	-	-
Deferred tax asset	238	134	-	-
Total net deferred tax liability	(45)	(15)	-	-
Deferred tax asset shown separately under non-current assets	37	27	-	-
Deferred tax liability shown separately under non-current liabilities	(82)	(42)	-	-
Total net deferred tax liability	(45)	(15)	-	-

Deferred tax assets and liabilities are offset only if certain criteria are met.

Recoverability of deferred tax assets

Deferred tax assets have been recognised for the carry-forward amount of unused tax losses relating to the Group's operations where there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise the tax losses carried forward by the specific company to which it relates. Management has carefully assessed the entities' ability to generate future taxable profits against which the recognised tax losses can be utilised. Such assessments are based on the approved budgets and the forecasts of the entities including their ability to raise funding to maintain and support their operations.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
32. Amounts due to related entities				
Amounts due to related entities	41	28	270	247
These balances are trade-related, unsecured, interest-free and are repayable under normal trading terms. Refer to note 37 for the details of related party balances and transactions.				
All amounts are short term. The carrying values of amounts due to related entities are considered to be a reasonable approximation of fair value.				
33. Trade and other payables				
Financial instruments:				
Trade payables	1 122	1 067	-	-
Other payables	140	159	1	2
Non-financial instruments				
Withholding tax payable	6	8	-	-
Value added tax	16	28	-	-
Payroll-related accruals	85	98	-	-
	1 369	1 360	1	2

Other payables include expenses payable, deposits and third-party payment liabilities.

	Group		Company	
Figures in Pula million	2026	2025	2026	2025
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	1 262	1 226	1	2
Non-financial instruments	107	134	-	-
	1 369	1 360	1	2
Minimum payments due				
Not later than one month	576	835	1	2
Later than one month and not later than three months	563	285	-	-
Later than three months and not later than one year	230	240	-	-
	1 369	1 360	1	2

Fair value of trade and other payables

All amounts are short term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value due to their short-term nature. Information of the Group's exposure to currency and liquidity risks is included in note 39.

Notes to the consolidated and separate annual financial statements continued
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34. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities – Group – 2026

<i>Figures in Pula million</i>	Opening balance	New	Interest accrued	Repayments	Foreign exchange movements	Terminations	Closing balance
Borrowings	264	152	7	(173)	-	-	250
Instalment sales leases	59	7	-	(34)	5	-	37
Lease liabilities	843	229	-	(230)	25	(11)	856
Total liabilities from financing activities	1 166	388	7	(437)	30	(11)	1 143

Reconciliation of liabilities arising from financing activities – Group – 2025

Borrowings	347	-	9	(92)	-	-	264
Instalment sales leases	65	36	-	(42)	-	-	59
Lease liabilities	912	162	-	(206)	(2)	(23)	843
Total liabilities from financing activities	1 324	198	9	(340)	(2)	(23)	1 166

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
35. Dividends per share				
Dividend per share – thebe				
Number 11 paid 29 April 2026 (2025: Number 9 paid 16 April 2025)	1.000	1.600	-	-
Dividends per share declared – thebe				
Number 10 paid 28 October 2025	-	0.600	-	-
Dividends paid/payable				
Number 8 – paid	-	26	-	-
Number 9 – paid	-	29	-	-
Number 10 – paid	11	-	-	-
Number 11 – paid	18	-	-	-
Paid this period	29	55	-	-
Number 10 – payable	-	11	-	-

The Board ensures that it complies with the liquidity and solvency requirements of the Botswana Companies Act before any dividend payment.

36. Contingencies

The Group has the following contingent liabilities at the reporting date:

- 36.1** Choppies Enterprises Limited has guarantees issued for Choppies Distribution Centre (Pty) Limited: valued at BWP151 million (2025: nil).
- 36.2** Choppies Enterprises Limited has guarantees issued for Choppies Supermarkets Namibia (Pty) Limited: valued at BWP36 million (2025: BWP36 million).
- 36.3** Certain foreign operations of the Group were discontinued and are no longer conducting business operations. The related amounts advanced to these entities have been fully impaired based on management's assessment that there is no reasonable expectation of recovery. Management is not aware of any material liabilities, contingent liabilities, litigation, tax exposures or regulatory matters requiring recognition or separate disclosure at the reporting date.

The guarantees are callable on demand.

37. Related entities

Relationships

Subsidiaries Refer to note 20

The Group's related entities include its key management, companies with common directors and ownership.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received unless stipulated in note 36. Outstanding balances are usually settled in cash.

Related party balances

The balances are unsecured, interest-free and repayable on demand. No other impairment losses have been recognised during the financial year.

Related entities are third parties in which one or both of the founding shareholders or their immediate family members have significant control through ownership or directorship.

These balances are trading-related, are based on mutually agreed terms and conditions, unsecured and interest-free and are payable under normal trading terms. A detailed list of entities is available on request.

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
Amounts due from related entities (other related entities)	17	9	213	223
Amounts due from related entities (Mediland)	42	41	-	-
	59	50	213	223
Amounts due to related entities (third parties)	41	28	270	247
Related party transactions				
Sale of stock to related entities	52	26	-	-
Purchases of goods or services from related entities	700	445	-	-
Rent paid to/(received from) related entities				
The Far Property Company Limited*	89	86	-	-

* Rent paid is the actual rental payments as per lease agreements. Included in the statement of profit or loss and other comprehensive income is an interest expense of BWP23 million (2025: BWP16 million) relating to the right-of-use asset.

Notes to the consolidated and separate annual financial statements continued
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	Group		Company	
BWP'000	2026	2025	2026	2025
38. Directors' emoluments				
The table below provides key management personnel compensation during the year including directors. These amounts are included in employee costs in note 7.				
Directors' fees				
Non-executive Directors				
F Ismail	233	333	-	-
DKU Corea	300	400	-	-
CJ Harward	467	600	-	-
V Chitalu	533	633	-	-
RP De Silva	533	633	-	-
N Graaff	233	100	-	-
A Dondo	-	100	-	-
	2 299	2 799	-	-
Salaries				
Executive Director				
R Ottapathu	7 043	7 054	-	-
Related to other key management personnel				
V Madhavan	2 540	8 468	-	-
M Rajcoomar	3 866	3 823	-	-
V Sanooj	3 396	3 298	-	-
	9 802	15 589	-	-

	Group		Company	
BWP'000	2026	2025	2026	2025
Retainer fees				
Non-executive Directors				
F Ismail	300	300	-	-
DKU Corea	660	660	-	-
CJ Harward	360	360	-	-
V Chitalu	634	646	-	-
RP De Silva	500	500	-	-
N Graaff	205	86	-	-
A Dondo	-	68	-	-
	2 659	2 620	-	-
Share-based payments are included in the salaries as follows:				
V Madhavan	-	2 214	-	-
M Rajcoomar	289	278	-	-
V Sanooj	250	241	-	-
	539	2 733	-	-

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

39. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Note(s)	Amortised cost	Total	Fair value
Group – 2026				
Amounts due from related entities	22	59	59	59
Trade and other receivables	24	112	112	112
Cash and cash equivalents	25	180	180	180
		351	351	351
Group – 2025				
Amounts due from related entities	22	50	50	50
Trade and other receivables	24	153	153	153
Cash and cash equivalents	25	170	170	170
		373	373	373
Company – 2026				
Amounts due from related entities	22	213	213	213
Trade and other receivables	24	1	1	1
Cash and cash equivalents	25	4	4	4
		218	218	218
Company – 2025				
Amounts due from related entities	22	223	223	223
Trade and other receivables	24	1	1	1
Cash and cash equivalents	25	4	4	4
		228	228	228

Carrying value is a reasonable approximation of fair value due to its short-term nature.

Categories of financial liabilities

	Note(s)	Amortised cost	Total	Fair value
Group – 2026				
Trade and other payables	33	1 262	1 262	1 262
Amounts due to related entities	32	41	41	41
Borrowings	29	250	250	250
Lease liabilities	30	893	893	893
Bank overdraft	25	182	182	182
		2 628	2 628	2 628
Group – 2025				
Trade and other payables	33	1 226	1 226	1 226
Amounts due to related entities	32	28	28	28
Borrowings	29	264	264	264
Lease liabilities	30	902	902	902
Bank overdraft	25	85	85	85
		2 505	2 505	2 505
Company – 2026				
Trade and other payables	33	1	1	1
Amounts due to related entities	32	270	270	270
		271	271	271
Company – 2025				
Trade and other payables	33	2	2	2
Amounts due to related entities	32	247	247	247
		249	249	249

Carrying value is a reasonable approximation of fair value because of the short-term nature or market-related terms of the liabilities.

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

39. Financial instruments and risk management continued

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Overview

The Group is exposed to credit, liquidity, interest rate and foreign currency risk due to the effects of changes in debt, exchange rates and interest rates experienced in the normal course of business. The Group's objective is to effectively manage each of the risks associated with its financial instruments in order to minimise the potential adverse effect on the financial performance and position of the Group.

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors through the audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- Amounts due from related entities
- Trade and other receivables
- Cash and cash equivalents
- Advances and deposits
- Financial guarantee contracts at a Company level.

The Group limits the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparties. The Group has no significant concentration of credit risk, and exposure to third parties is monitored as part of the credit control process.

Reputable financial institutions are used for investing and cash-handling purposes. All cash balances and cash equivalents are placed with banks registered in the geographical areas where the Group operates. Banks in Botswana are not rated, but most of the banks are subsidiaries of major South African or United Kingdom-registered institutions.

The ECL on cash and cash equivalents has been assessed as low risk due to the short-term maturity of these balances and the creditworthiness of the financial institutions.

The Group applies the IFRS 9 simplified model of recognising lifetime ECLs for all trade receivables as these items do not have a significant financing component.

In measuring the ECLs, the trade receivables that have similar characteristics are grouped together and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and according to the geographical location of customers where applicable.

In determining the level of likely credit losses on write-off of trade receivables, the Group has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators and US tariffs may have on historical collection and default rates, including the possible impact of the Russia-Ukraine war and the Middle East war on its business and collection.

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

39. Financial instruments and risk management continued

Financial risk management continued

Credit risk continued

Trade receivables are considered irrecoverable where:

- The customer has not made any payment within 180 days from the date of invoice (at which stage amounts are considered in full default)
- No alternative payment arrangements have been made and adhered to by the customer during the first 90 days after date of invoice
- Alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 90 days, have failed.

On the above basis, the ECL for trade receivables as at 30 June 2026 was determined as detailed in note 24.

Amounts due from related entities

No provisions for ECLs have been recognised in financial years 2026 and 2025, as historical collections indicate a negligible risk of default. Management reviews outstanding receivables periodically, and all current balances are deemed fully collectible.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is summarised as follows:

Figures in Pula million	Note(s)	2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost/ fair value	Gross carrying amount	Credit loss allowance	Amortised cost/ fair value
Group							
Amounts due from related entities	22	59	-	59	50	-	50
Trade and other receivables	24	146	(34)	112	185	(32)	153
Cash and cash equivalents	25	180	-	180	170	-	170
		385	(34)	351	405	(32)	373
Company							
Amounts due from related entities	22	213	-	213	223	-	223
Trade and other receivables	24	1	-	1	1	-	1
Cash and cash equivalents	25	4	-	4	4	-	4
		218	-	218	228	-	228
Company							
Guarantees	36	187	-	187	152	-	152

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

39. Financial instruments and risk management continued

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, is presented in the following table. The cash flows are undiscounted contractual amounts.

Figures in Pula million	Note(s)	Less than one month	Later than one month, not later than three months	Later than three months, not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Group – 2026										
Non-current liabilities										
Borrowings	29	-	-	-	68	57	45	71	241	184
Lease liabilities	30	-	-	-	258	204	220	126	808	654
Current liabilities										
Trade and other payables	33	469	563	230	-	-	-	-	1 262	1 262
Amounts due to related entities	32	41	-	-	-	-	-	-	41	41
Borrowings	29	8	16	69	-	-	-	-	93	66
Lease liabilities	30	28	55	231	-	-	-	-	314	239
Bank overdraft	25	182	-	-	-	-	-	-	182	182
		728	634	530	326	261	265	197	2 941	2 628
Group – 2025										
Non-current liabilities										
Borrowings	29	-	-	-	51	31	35	8	125	112
Lease liabilities	30	-	-	-	244	198	229	102	773	636
Current liabilities										
Trade and other payables	33	701	285	240	-	-	-	-	1 226	1 226
Amounts due to related entities	32	28	-	-	-	-	-	-	28	28
Borrowings	29	9	20	146	-	-	-	-	175	152
Lease liabilities	30	36	58	217	-	-	-	-	311	266
Bank overdraft	25	85	-	-	-	-	-	-	85	85
		859	363	603	295	229	264	110	2 723	2 505

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

39. Financial instruments and risk management continued

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, is presented in the following table. The cash flows are undiscounted contractual amounts.

Figures in Pula million	Note(s)	Less than 1 month	Later than one month not later than three months	Later than three months and not later than one year	13 to 24 months	25 to 36 months	37 to 48 months	48 months and later	Total	Carrying amount
Company – 2026										
Current liabilities										
Trade and other payables	33	1	-	-	-	-	-	-	1	1
Amounts due to related entities	32	270	-	-	-	-	-	-	270	270
Guarantees	36	187	-	-	-	-	-	-	187	187
		458	-	-	-	-	-	-	458	458
Company – 2025										
Current liabilities										
Trade and other payables	33	2	-	-	-	-	-	-	2	2
Amounts due to related entities	32	270	-	-	-	-	-	-	270	270
Guarantees	36	152	-	-	-	-	-	-	152	152
		424	-	-	-	-	-	-	424	424

Choppies Enterprises Limited has financial guarantees issued for Choppies Distribution Centre (Pty) Limited valued at BWP151 million (2025: nil), for Choppies Supermarkets Namibia (Pty) Limited valued at BWP36 million (2025: BWP36 million) and for Choppies Supermarkets Tanzania Limited valued at BWP0.1 million (2025: BWP0.1 million). Management has assessed the probability of these entities defaulting as low, and any loss given default as insignificant based on their financial position and the fair value of the underlying property provided as security on these loans. On this basis the liability for financial guarantees was determined to be nil in the years presented.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

39. Financial instruments and risk management continued

Foreign currency risk

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

		Group		Company	
	Note(s)	2026	2025	2026	2025
US Dollar exposure					
Current assets:					
Trade and other receivables	24	2	4	-	-
Cash and cash equivalents	25	9	6	-	-
Current liabilities:					
Trade and other payables	33	(67)	(45)	-	-
Net US Dollar exposure in Pula					
		(56)	(35)	-	-
ZAR exposure					
Current assets					
Trade and other receivables	24	38	39	-	-
Cash and cash equivalents	25	12	8	-	-
Current liabilities					
Trade and other payables	33	(428)	(421)	-	-
Bank overdrafts	25	(18)	-	-	-
Net ZAR exposure in Pula					
		(396)	(374)	-	-
Net exposure to foreign currency in Pula					
		(452)	(409)	-	-

The net carrying amounts, in foreign currency of the above exposure, were as follows:

		Group		Company	
	Note(s)	2026	2025	2026	2025
US Dollar exposure					
Current assets					
Trade and other receivables	24	-	1	-	-
Cash and cash equivalents	25	2	1	-	-
Current liabilities					
Trade and other payables	33	(5)	(5)	-	-
Net US Dollar exposure in Pula					
		(3)	(3)	-	-
ZAR exposure					
Current assets					
Trade and other receivables	24	44	53	-	-
Cash and cash equivalents	25	14	11	-	-
Current liabilities					
Trade and other payables	33	(485)	(563)	-	-
Bank overdrafts	25	(21)	-	-	-
Net ZAR exposure					
		(448)	(499)	-	-
Exchange rates					
Foreign currency units per Pula					
South African Rand		1.1260	1.3340	-	-
United States Dollar		0.0689	0.0750	-	-
Average exchange rate					
South African Rand		1.1839	1.3355	-	-
United States Dollar		0.0715	0.0737	-	-

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

39. Financial instruments and risk management continued

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the 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 amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group					
Increase or decrease in rate		2026	2026	2025	2025
Figures in Pula million	Note(s)	Increase	Decrease	Increase	Decrease
Impact on profit or loss before tax:					
South African Rand-denominated assets – banks		1	(1)	1	(1)
United States Dollar-denominated assets – banks		1	(1)	1	(1)
South African Rand-denominated assets – receivables		4	(4)	4	(4)
United States Dollar-denominated assets – receivables		-	-	1	(1)
South African Rand-denominated liabilities		(39)	39	(38)	38
United States Dollar-denominated liabilities		(6)	6	(4)	4
		(39)	39	(35)	35

A 10% strengthening of the Botswana Pula against the above-mentioned currencies at the reporting date would have had an equal but opposite effect on the Group's profit before taxation and equity to the amounts disclosed above.

The Group reviews its foreign currency exposure, including commitments, on an ongoing basis. The Company expects its foreign exchange contracts to hedge foreign exchange exposure.

Interest rate risk

The Group's interest rate risk arises from borrowings, cash and cash equivalents and loans. Fixed-rate borrowings expose the Group to fair value interest rate risk. Variable rate borrowings, loans and cash and cash equivalents result in cash flow interest rate risks. Other than ensuring optimum market rates for deposits, the Group does not make use of financial instruments to manage this risk.

The Group invests with reputable institutions and has obtained borrowings and overdraft facilities, which are subject to normal market interest rate risk. The effective annual interest rates on the Group's call deposits, long-term borrowings and bank overdrafts at year-end were as follows:

Interest rate profile

The following are the Pula equivalent of the balances susceptible to interest rate risk:

		Average effective interest rate		Carrying amount	
Group		2026	2025	2026	2025
Figures in Pula million	Note(s)				
Assets					
Call accounts denominated in Pula		4.00% to 6.00%	2.00% to 4.00%	2	9
Fixed deposits with banks		5.50% to 7.20%	5.50% to 7.20%	8	6
				10	15
Liabilities					
Borrowings	29	10.20%	8.50%	(250)	(264)
Lease liabilities		10.30%	7.73%	(893)	(902)
Bank overdraft	25	7.09% to 13.50%	7.25%	(182)	(85)
				(1 325)	(1 251)
Net variable rate financial instruments				(1 315)	(1 236)

Interest cost

Interest is calculated based on the rate of interest on each loan per annum which is the aggregate of the applicable: (a) the margin and (b) the reference rate being the Botswana prime lending rate. Interest accrues on a day-to-day basis and is calculated based on 365 days and the actual number of days elapsed on 365 days per basis. Interest shall accrue on each facility on each interest payment date. The first interest period shall begin at the utilisation date of each loan.

Notes to the consolidated and separate annual financial statements continued
for the year ended 30 June 2026

39. Financial instruments and risk management continued

Interest rate sensitivity analysis

With average interest rates as noted, an increase/decrease of 0.5% (2025: 0.5%) in the current interest rates during the reporting period would have increased/decreased the Group's profit before taxation and equity as disclosed below:

Group Increase or decrease in rate by 0.5% (2025: 0.5%) Figures in Pula million	2026 Increase	2026 Decrease	2025 Increase	2025 Decrease
Impact on profit/(loss)				
Interest paid	(6)	6	(7)	7

40. Discontinued operations or disposal groups

2025

The Group sold the assets of the Zimbabwean segment in December 2024. The Kamoso South African liquor business, Skywalker, was discontinued during the June 2024 financial year. Any remaining assets and liabilities were transferred to continuing business.

Profit or losses	Zimbabwe	Skywalker	Group
Revenue	262	4	266
Gross profit	55	3	58
Other income	2	-	2
Expenses	(93)	(1)	(94)
Foreign exchange gains on Zimbabwe legacy debt	16	-	16
Loss on sale of business	(14)	-	(14)
Loss on lease modification and terminations	(8)	-	(8)
Net impairment (losses)/reversals	(4)	(1)	(5)
Net interest	-	-	-
Tax	-	-	-
Net (loss)/profit after tax	(46)	1	(45)

Other comprehensive (loss)/income	Zimbabwe	Skywalker	Group
Other comprehensive (loss)/income			
Foreign currency translation reserve reclassified to profit or loss on disposal of the Zimbabwe segment	337	-	337
Hyperinflation reserve reclassified to profit or loss on disposal of the Zimbabwe segment	(312)	-	(312)
Total comprehensive loss for the year	(71)	1	(70)
Continuing operations - loss on sale of business	(14)	-	(14)
Discontinued operations - net (loss)/profit after tax	(57)	1	(56)
Total operations - net (loss)/profit after tax	(71)	1	(70)
Liabilities			
Current liabilities			
Trade and other payables	(35)	-	(35)
Loss from discontinued operations	(57)	1	(56)
Non-cash flow items			
Foreign currency translation reserves reclassified to profit or loss on disposal of the Zimbabwe segment	(337)	-	(337)
Hyperinflationary reserve reclassified to profit or loss on disposal of the Zimbabwe segment	312	-	312
Other	(2)	(1)	(3)
Net cash outflow	(84)	-	(84)

Notes to the consolidated and separate annual financial statements continued for the year ended 30 June 2026

41. Financial support

Choppies Distribution Centre (Pty) Limited, a wholly owned subsidiary of Choppies Enterprises Limited, has pledged its continued financial and operational support to certain subsidiaries of Choppies Enterprises Limited in order for these companies to continue operating as going concerns in the foreseeable future. Each of these companies is technically insolvent with their liabilities exceeding their assets.

The financial support provided by the Company will continue for each individual Company until such time as the equity and assets, fairly valued, exceed the liabilities for each of the respective individual companies.

Based on the ability of Choppies Distribution Centre (Pty) Limited to continue providing such support, the individual financial statements of these technically insolvent companies have been prepared on the going concern assumption. The shareholders' surplus/(deficits) at the reporting date for each of the companies are summarised as follows:

	Group		Company	
<i>Figures in Pula million</i>	2026	2025	2026	2025
Subsidiaries in BWP millions				
Choppies Supermarkets Namibia (Pty) Limited	(65)	(32)	-	-
Kamoso Africa (Pty) Limited Group	(46)	(33)	-	-
	(111)	(65)	-	-

42. Going concern

The Board evaluated the going concern assumption up to the date of signing of these financial statements, considering the current financial position and their best estimate of the cash flow forecasts and considered it to be appropriate in the presentation of the consolidated annual financial statements.

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

The forecasts prepared by management are by month for the next 12 months. Management prepared both a base case and downside profit or loss and statements of cash flows. The base case considers latest trends and trading conditions.

The downside assumes a lower level of EBITDA and lower working capital inflows to stress test our cash flows.

The Group's current liabilities exceed its current assets. This is fairly normal for a largely cash business with less than 5% of sales on credit. The current financial assets will not necessarily be the sole source of settling our current financial liabilities. We will settle the current liabilities out of future profits.

The Board, relying on management's assessment, is satisfied that the Group and Company are a going concern and therefore continue to apply the going concern assumption in the preparation of these financial statements.

43. Events after the reporting period

There have been no material changes in the affairs or financial position of the Group, the Company and its subsidiaries from 1 July 2026 to the date of this report.



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Committed to shareholder returns.

Shareholder analysis

Analysis 2026

Shareholder spread	Number of shareholders 2026	Number of shares	% of total shareholdings
1 - 1 000	18 917	2 618 698	0.14
1 001 - 10 000	2 219	7 840 528	0.43
10 001 - 100 000	565	15 826 360	0.87
100 001 - 1 000 000	94	30 349 707	1.66
Over 1 000 000	52	1 767 826 381	96.90
Total	21 847	1 824 461 674	100.00

Distribution of shareholders	Number of shareholders	Number of shares	% of total shareholdings
Companies	248	545 295 916	29.89
Share scheme	1	5 211 119	0.29
Individuals	21 520	58 209 603	3.19
Institutional investors	67	352 512 752	19.32
Directors (including indirect holdings)	11	863 232 284	47.31
Total	21 847	1 824 461 674	100.00

Shareholders type	Number of shareholders	Number of shares	% of total shareholdings
Non-public shareholders	12	866 036 976	47.47
Public shareholders	21 835	958 424 698	52.53
Total	21 847	1 824 461 674	100.00

Directors

	Number of shares	% of total shareholdings
Ramachandran Ottapathu (including indirect holdings)	549 873 697	30.14
Farouk Ismail (including indirect holdings)	313 358 587	17.18
Carol-Jean Harward	-	-
Don Kumaray Uttum Corea	-	-
Natalie Graaff	-	-
Valentine Chitalu	-	-
Ranjith Priyalal De Silva	-	-
Total	863 232 284	47.31

Top 10 shareholders

Name of top 10 shareholders 2026	Number of shares held 2026	% of holding 2026
Ramachandran Ottapathu	549 873 697	30.14
Farouk Ismail	313 358 587	17.18
Botswana Public Officers Pension Fund	282 653 738	15.49
Ivygrove Holdings (Pty) Limited	244 505 090	13.40
Marina IV LP	131 074 434	7.18
Export Marketing (BVI) Limited	57 201 319	3.14
UBS Switzerland AG-Client Assets	47 483 557	2.60
Kgori Capital	29 900 986	1.64
Botswana Insurance Fund Management	27 689 567	1.52
SIX SIS Limited	25 128 478	1.38
Total	1 708 869 453	93.66

Shareholders' diary

Financial year-end	30 June
2026 Annual General Meeting	01 December 2026
Interim results announcement and dividend declaration	March 2027
Interim FY2027 dividend payment	April 2027
FY2027 annual results announcement	September 2027
Final FY2027 dividend payment	October 2027

Notice of Annual General Meeting

Choppies Enterprises Limited

(Incorporated in the Republic of Botswana)
(Registration number: BW00001142508)
(BSE share code: CHOP-EQO)
(JSE share code: CHP)
(ISIN: BW00000001072)
(“**Choppies**” or the “**Group**” or the “**Company**”)

Notice is hereby given that an Annual General Meeting (“AGM”) of the shareholders of Choppies Enterprises Limited (“Shareholders”) will be held at Choppies Innovation Centre, Plot 169, Gaborone International Commerce Park (“GICP”), Gaborone, Botswana, as well as by electronic means, at 14:00 on Tuesday, 01 December 2026 (“AGM” or “the meeting”) to:

1. Receive, consider and if deemed fit, approve the Group audited financial statements for the year ended 30 June 2026 together with the Directors’ and Auditor’s Reports thereon as well as the Integrated Annual Report.
2. Re-elect and confirm, if deemed fit, the appointment of Mr Ranjith Priyalal De Silva, who retires by rotation in terms of Clause 20.9.1 of the Constitution of the Company, and being eligible, offers himself for re-election as an Independent Non-executive Director.
3. Re-elect and confirm, if deemed fit, the appointment of Mr Farouk Ismail, who retires by rotation in terms of Clause 20.9.1 of the Constitution of the Company, and being eligible, offers himself for re-election as a Non-executive Director.
4. Approve the remuneration policy set out in section 02 of the remuneration report – **P** 85 of the Integrated Annual Report.
5. Approve the implementation of the remuneration policy as per section 03 of the remuneration report **P** 89 of the Integrated Annual Report.
6. Consider and if deemed fit, ratify the distribution of dividend of 1.0 thebe per share paid on 29 April 2026, as set out on **P** 102 of the Integrated Annual Report.
7. Consider and if deemed fit, confirm the appointment of Forvis Mazars as auditors of the Company for the ensuing year.
8. Consider and if deemed fit, ratify the remuneration paid to auditors, Forvis Mazars, for the year ended 30 June 2026 as set out on **P** 104 of the Integrated Annual Report.
9. Consider and if deemed fit, pass with or without amendment the following resolution as a special resolution:
To specially resolve in terms of section 128 of the Companies Act Cap 42:01 to pre-approve the donations for the year ending 30 June 2027 subject to these being made in terms of the Company policy, for charitable purposes and in total not exceeding 1.5% of EBITDA for FY2027.
10. The answering by the directors and management of questions put by Shareholders in respect of the affairs and the business of the Company in respect of the year ended 30 June 2026.

Important information regarding attendance, participation and voting at the AGM

Record dates

The date on which holders of shares listed on the Botswana Stock Exchange must be recorded as such in the register of Shareholders of the Company to be eligible to attend, participate and vote at the AGM is Friday, 20 November 2026.

The date on which holders of shares listed on the JSE Limited must be recorded as such in the register of Shareholders of the Company to be eligible to attend, participate and vote at the AGM is Friday, 20 November 2026, with the last day of trade: Tuesday, 17 November 2026.

Participation

In-person participation

The AGM will be held in person for Shareholders who wish to participate in this manner.

Shareholders who choose not to attend in person but seek to appoint a proxy to attend the meeting on their behalf can still submit their proxy forms. Proxy forms are to be delivered or sent by email to the Company Secretary, BP Consulting Services (Pty) Limited as provided for on the proxy form. Where a Shareholder has submitted a proxy form, the person attending the AGM on the Shareholder’s behalf shall be presumed to vote in accordance with the instructions of voting set out in the proxy form.

Electronic participation

The AGM will also be held through electronic communication, via a web stream by which all shareholders participating in the meeting can simultaneously hear each other throughout the meeting, as provided for in section 109 of the Companies Act and section 17 of the First Schedule to the Companies (Amendment) Act, 2025. The Company’s Constitution also permits such electronic communication at a meeting of shareholders.

Shareholders and the proxy of any Shareholder who wish to participate in the AGM by electronic means will be required to submit the relevant duly completed electronic participation form which is annexed to the notice of the AGM, together with the relevant documents to BP Consulting Services, as provided for on the form. Shareholders are strongly encouraged to complete their verification well ahead of time.

Once the identity of a Shareholder seeking to attend the meeting and the authority of any person representing such a Shareholder (if the Shareholder is not an individual) or the proxy appointed by a Shareholder and the person seeking to attend the AGM has been verified by BP Consulting Services, the person seeking to attend the AGM will be provided with details on how to join the AGM web stream.

Notice of Annual General Meeting continued

Shareholders who have not appointed a proxy, and have therefore not given voting instructions and who intend to participate in the meeting, once the identity of the Shareholder has been verified, will be provided with a voting form together with instructions on how to join the AGM web stream. Shareholders or proxies for Shareholders attending the meeting are urged to send their duly completed voting forms to BP Consulting Services by delivery or by email before the meeting.

Pursuant to article 13.3 of the Constitution of the Company, the Chairman has regulated the procedure to be adopted at the meeting:

- Voting will be by poll
- Voting will be by way of submission of voting papers by Shareholders or proxies attending the meeting before the meeting or during, but before the end of the meeting
- Pursuant to article 15.10 of the Constitution, the auditors, Forvis Mazars, will scrutinise the proxy forms, the voting forms and the results
- Pursuant to article 15.11 of the Constitution, the Chairman shall declare the result after receipt of a certificate from the auditors.

The Company shall publish the results of each meeting within 48 hours of the conclusion of the meeting.

Voting instruction

Nominee accounts (dematerialised Shareholders other than own-name registered Shareholders)

Shareholders whose shares are held in a nominee account must not complete the attached form of proxy.

If shares are held in a nominee account, then the nominee, Central Securities Depository Participant ("CSDP") or broker of such Shareholder should contact the Shareholder to ascertain how to cast votes at the AGM and thereafter cast the Shareholder's vote in accordance with the Shareholder's instructions.

If you have shares in the Company held in a nominee account and have not been contacted, it would be advisable for you to contact your nominee or CSDP or broker and furnish them with your instruction. If your nominee or CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them or, if the mandate is silent in this regard, to abstain from voting.

Unless you advise your nominee, CSDP or broker timeously in terms of your agreement by the cut-off time advised by them that you wish to attend the AGM or send a proxy to represent you, your nominee, CSDP or broker will assume you do not wish to attend the AGM or send a proxy.

If a nominee, CSDP or broker is a company, it may appoint a proxy provided that the proxy form is accompanied by a resolution of the nominee, CSDP or broker empowering the person acting on behalf of the nominee, CSDP or broker to appoint the proxy. Alternatively, such nominee, CSDP or broker may, by resolution, appoint a person to represent it at a meeting; in such event, the resolution should be delivered to BP Consulting Services at least 24 hours prior to the holding of the meeting. The proxy or representative appointed by the nominee, CSDP or broker should complete the electronic participation form and deliver that to BP Consulting Services.

If you wish to participate in the AGM, you must request the necessary letter of representation from your nominee or CSDP or broker and submit this letter together with the electronic participation form to BP Consulting Services at least 24 hours prior to the holding of the meeting.

Own-name shareholders (certificated and own-name registered dematerialised shareholders)

"Own-name" shareholders who wish to participate at the AGM themselves by electronic means should submit their duly completed electronic participation form together with an acceptable form of identification to BP Consulting Services at least 24 hours prior to the holding of the meeting. "Own-name" shareholders attending and participating in the AGM in person shall be provided with a voting form upon registration at the meeting.

"Own-name" Shareholders may also appoint a proxy to represent them at the AGM by completing the attached proxy form and returning it to BP Consulting Services at least 24 hours prior to the time and date of the meeting. If a Shareholder appoints someone other than the Chairman of the meeting as their proxy and wants the proxy to participate in the AGM, the proxy must complete and submit an electronic participation form to BP Consulting Services at least 24 hours prior to the holding of the meeting.

An Integrated Annual Report updating Shareholders on key issues pertaining to the Company, dealing with certain of the matters which are to be dealt with at the AGM, together with a notice convening the meeting, proxy forms, and electronic participation forms (to enable participation of a Shareholder or a proxy in the electronic meeting) will be sent to Shareholders on or about 30 October 2026.

By order of the Board



BP CONSULTING SERVICES (PTY) LIMITED

Company Secretary

30 October 2026



Form of proxy

Choppies Enterprises Limited

(Incorporated in the Republic of Botswana)
(Registration number: BW00001142508)
(BSE share code: CHOP-EQO)
(JSE share code: CHP)
(ISIN: BW0000001072)
("Choppies" or the "Group" or the "Company")

I/we _____ of _____ being the holder of _____ ordinary shares of the Company,

hereby appoint _____ or, failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us at the Annual General Meeting of the Company to be held at 14:00 on Tuesday, 01 December 2026 (the "Annual General Meeting" or "meeting").

		For	Against	Abstain
Resolution 1	To receive, consider and if deemed fit, approve the Group audited financial statements for the year ended 30 June 2026 together with the Directors' and Auditor's reports thereon as well as the Integrated Annual Report.			
Resolution 2	To re-elect and confirm, if deemed fit, the appointment of Mr Ranjith Priyalal De Silva, who retires by rotation in terms of Clause 20.9.1 of the Constitution of the Company, and being eligible, offers himself for re-election as an Independent Non-executive Director.			
Resolution 3	To re-elect and confirm, if deemed fit, the appointment of Mr Farouk Ismail, who retires by rotation in terms of Clause 20.9.1 of the Constitution of the Company, and being eligible, offers himself for re-election as a Non-executive Director.			
Resolution 4	To approve the remuneration policy set out in section 02 of the remuneration report – P 85 of the Integrated Annual Report.			
Resolution 5	To approve the implementation of the remuneration policy as per section 03 of the remuneration report – P 89 of the Integrated Annual Report.			
Resolution 6	To consider and if deemed fit, confirm the distribution of dividend of 1.0 thebe per share paid on 29 April 2026 as set out on P 102 of the Integrated Annual Report.			
Resolution 7	To consider and if deemed fit, confirm the appointment of Forvis Mazars as auditors of the Company for the ensuing year.			
Resolution 8	To consider and if deemed fit, ratify the remuneration paid to auditors, Forvis Mazars, for the year ended 30 June 2026 as set out on P 104 of the Integrated Annual Report.			
Resolution 9	To consider and if deemed fit, pass with or without amendment the following resolution as a special resolution: To specially resolve in terms of section 128 of the Companies Act Cap 42:01 to pre-approve the donations for the year ending 30 June 2027 subject to these being made in terms of the Company policy, for charitable purposes and in total not exceeding 1.5% of EBITDA for FY2027.			

Each shareholder who is entitled to vote at the Annual General Meeting is entitled to appoint one or more persons as proxy to attend, speak and vote in place of the Shareholder at the Annual General Meeting and the proxy appointed need not be a Shareholder of Choppies. Please read notes 1 to 9 overleaf.

Please indicate with an "X" how you wish your votes to be cast.

Signed on this _____ day of _____ 2026

Signature of Shareholder(s) _____

Assisted by me (where applicable) _____

Form of proxy continued

Notes:

1. A Shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the Annual General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy, but the total of votes cast may not exceed the total votes exercisable. If the proxy form is signed under a power of attorney, it must be accompanied by a copy of the power of attorney and a signed notice of non-revocation of the power of attorney (unless the power of attorney has already been deposited with the Company).
2. The form appointing such a proxy must be deposited at the office of the Company Secretary, BP Consulting Services (Pty) Limited, Plot 28892 (portion of Plot 50370), Twin Towers, West Wing, First Floor, Fairground, Gaborone, Botswana, or by email to kakale@butlerphirieinc.com not less than 24 hours before the meeting.
3. Proxies executed by companies/organisations should be accompanied by a resolution of the organisation appointing the representative to sign the proxy.
4. The completion and lodging of this instrument will not preclude the relevant Shareholder from attending the Annual 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.
5. The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with the instructions provided in the notice convening the meeting and these notes, provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
6. A form of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
7. 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 Annual General Meeting or adjourned Annual General Meeting at which the proxy is to be used.
8. Where ordinary shares are held jointly, all joint Shareholders must sign the proxy form.
9. A minor must be assisted by his/her guardian, unless relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

Electronic participation form

Choppies Enterprises Limited

(Incorporated in the Republic of Botswana)
(Registration number: BW00001142508)
(BSE share code: CHOP-EQO)
(JSE share code: CHP)
(ISIN: BW0000001072)

Shareholders or their proxies who wish to participate in the Annual General Meeting to be held at 14:00 on Tuesday, 01 December 2026 ("the AGM" or "meeting") via electronic communication ("AGM participant") must notify the Company by delivering this form and supporting documents to the office of the Company Secretary, BP Consulting Services (Pty) Limited, Plot 28892 (portion of Plot 50370), Twin Towers, West Wing, First Floor, Fairground, Gaborone, PO Box 1453, Gaborone, or by email to kakale@butlerphirieinc.com as soon as possible but no later than 14:00 on Monday, 30 November 2026.

Shareholders are strongly encouraged to complete their verification well ahead of time.

Each AGM participant who has successfully been verified by BP Consulting Services (Pty) Limited will be provided with the details on how to join the AGM via web stream. AGM participants who are proxies for a Shareholder will be provided with a voting form and be presumed to vote at the meeting in accordance with the instructions for voting set out on the proxy form. AGM participants who are not proxies will be provided with a voting form. AGM participants who are not proxies are strongly encouraged to send their completed voting forms to BP Consulting Services (Pty) Limited before the meeting. AGM participants who have not sent completed voting forms to BP Consulting Services (Pty) Limited prior to the meeting will be able to complete the voting forms and submit the same to BP Consulting Services (Pty) Limited by email to kakale@butlerphirieinc.com during but no later than the close of the meeting.

Reference is made to the notice of the AGM for important information regarding participation and voting at the AGM.

Name of registered Shareholder	
Omang/ID/Passport number/Registration number of registered Shareholder	
Name and contact details of CSDP or broker (if shares are held in dematerialised form)	
Shareholder CSD account number/broker account number or own-name account number or custodian account number	
Number of ordinary shares held	
Full name of AGM participant	
Omang/ID/Passport number of AGM participant	
Email address of AGM participant	
Cellphone number of AGM participant	

By signing this form, I/we agree and consent to the processing of my/our personal information above for the purposes of participation in the AGM and acknowledge the following:

1. The cost of joining the AGM is at the expense of the AGM participant and will be billed separately by the AGM participant's own internet service provider. The AGM participant is not permitted to share the link with a third party.
2. The Company, its agents and third-party service providers cannot be held accountable and will not be obliged to make alternative arrangements in the event of a loss or interruption of network activity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth, power outages or any other circumstances which prevent any AGM participant or proxy holder from participating in the AGM or voting.

Signed on this _____ day of _____ 2026

Signature of Shareholder(s) _____

Assisted by me (where applicable) _____

Corporate information

Choppies Enterprises Limited

(Incorporated in Botswana on 19 January 2004)
(Registration number BW00001142508)
Plot 169
Gaborone International Commerce Park
Gaborone, Botswana

Legal advisers

Armstrongs Attorneys
Second Floor, Acacia House, Prime Plaza,
Plot 74538, Western Commercial Road
Central Business District, Gaborone
Tel: +267 395 3481
Website: www.armstrongs.bw

Sponsoring broker

Motswedi Securities (Pty) Limited
Plot 113, Unit 30
Kgale Mews
Gaborone
Tel: +267 318 8627

Company Secretary

BP Consulting Services (Pty) Limited
Plot 28892, Twin Towers, West Wing
First Floor, Fairground
Gaborone, Botswana
Tel: +267 316 2062

Registered address

Plot 28892
Twin Towers, West Wing
First Floor, Fairground
Gaborone, Botswana
Tel: +267 316 2062

Botswana Group auditor

Forvis Mazars
Plot 139, Finance Park
Gaborone, Botswana
Tel: +267 395 7466

JSE sponsor

PSG Capital
First Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
PO Box 7403
Stellenbosch, 7599
South Africa
Tel: +27 21 887 9602

Transfer secretaries

Central Securities Depository Botswana
("CSDB"), and the JSE transfer
secretary

Bankers

First Capital Bank Botswana Limited

Head Office: Capital House, Plot 17954
Old Lobatse Road
Gaborone, Botswana
Tel: +267 390 7801
Fax: +267 392 2818

Bank of Baroda (Botswana) Limited

Plot 1108, AKD House, Queens Road,
The Mall
Gaborone, Botswana
PO Box 21559, Bontleng
Gaborone, Botswana
Tel: +267 393 3773/318 8878
Fax: +267 318 8879
Website: www.bankofbaroda.co.bw

Absa Bank Botswana Limited

Plot 74358,
Building 4 Prime Plaza
Central Business District, Gaborone
Tel: +267 395 2041/+267 363 3900
Fax: +267 397 1373

Stanbic Bank Botswana Limited

Stanbic House, Plot 50672
off Samora Machel Drive
Fairgrounds
Private Bag 00168
Gaborone, Botswana
Tel: +267 361 8110
Fax: +267 361 8158
Website: www.stanbicbank.co.bw

First National Bank Botswana Limited

First Place, Plot 54362 CBD
Gaborone, Botswana
Tel: +267 370 6000

Bank Gaborone

Plot 74768, Cnr 2nd Commercial
and Western Commercial Road
Central Business District
Private Bag 00325
Gaborone, Botswana
Tel: +267 367 1500
Fax: +267 390 4007
Email: info@bankgaborone.co.bw
Website: <http://www.bankgaborone.co.bw>

Bankers continued

Nedbank

135 Rivonia Road
Sandton
Johannesburg, 2196
South Africa
Tel: +27 11 294 1714
Website: nedbank.co.za

Access Bank Botswana Limited

Plot 62433, Fairgrounds Office Park
Gaborone, Botswana
Tel: +267 399 3300
Website: www.botswana.accessbankplc.com

Bank Windhoek

Second Floor, Capricorn House
119 Independence Avenue
Windhoek, Namibia
Tel: +264 61 299 1494
Email: HillL@bankwindhoek.com.na
Website: www.bankwindhoek.com.na

Absa Bank South Africa

Third Floor, Absa Ridgeside Office Park
33 Richefond Circle,
Umhlanga, 4319
South Africa
Tel: +27 31 534 4016
Website: cib.absa.africa

First National Bank/ RMB South Africa

1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
Tel: +27 11 282 8000
Website: rmb.co.za

Standard Bank

PO Box 3327,
Windhoek
Namibia
Tel: +264 67 304 191
Email: friedae.albertse@standardbank.com.na
Website: www.standardbank.com.na

First National Bank of Namibia Limited RMB Namibia

130 Cnr Independence Avenue
and Fidel Castro Street
Parkside, Windhoek, Namibia
Tel: +264 61 299 8899
Email: robaking@rmb.com.na
Website: www.rmb.com.na

First Capital Bank Zambia Limited

Plot 4604, Ground Floor
Kwacha Pension House, Tito Road
Lusaka, Zambia
Phone: +260 211 368 750
Website: www.firstcapitalbank.co.zm

Absa Bank Zambia

Stand numbers 4643 and 4644
Elunda Office Park
Addis Ababa Roundabout
Lusaka, Zambia
Website: www.absa.co.zm
Tel: +260 211 366 100
Fax: +260 (211) 225553

First National Bank

Thabo Mbeki Road, Lusaka, Zambia
Tel: +260 211 366 800
Website: www.fnbzambia.co.zm

Zambia National Commercial Bank Plc

Head Office
PO Box 33611, Cairo Road
Lusaka, Zambia
Tel: +260 211 228 979
Website: www.zanaco.co.zm

Access Bank Zambia Limited

PO Box 35273, Plot 682
Cairo Road, Lusaka 10101, Zambia
Tel: +260 211 22 7941
Tel: +260 211 22 7956
Website: https://zambia.accessbankplc.com



Abbreviations and definitions

AGM	Annual General Meeting
Annual report	Annual report as envisaged in section 215 of the Companies Act
ARC	Audit and risk committee
Basic earnings per share (“EPS”) (thebe)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares calculated in thebe
BDO	Binder Dijker Otte, an international network of public accounting, tax, consulting and business advisory firms that provide professional services
BSE	Botswana Stock Exchange Limited
BWP	BWP is the functional currency of Botswana
CAPEX	Capital expenditure
CEO	Chief executive officer of Choppies Enterprises Limited
CFO	Chief financial officer of Choppies Enterprises Limited
CIO	Chief information officer
“Choppies” or “the Company”	Choppies Enterprises Limited, listed on the BSE and JSE
CPI (%)	An index of prices used to measure the change in the cost of basic goods and services
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
Diluted earnings per share	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares, adjusted for the potential dilutive ordinary shares resulting from share-based payments calculated in thebe
DC	Distribution centre
Diluted headline earnings per share	Headline earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares, adjusted for the potential dilutive ordinary shares resulting from share-based payments calculated in thebe
EBIT	Earnings before interest and taxation
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESG	Environmental, social and governance
FMCG	Fast-moving consumer goods
FOREX	Foreign exchange
FY2025	Financial year ended 30 June 2025
FY2026	Financial year ended 30 June 2026
FY2027	Financial year ended 30 June 2027
GDP	Gross domestic product
Group	Choppies Enterprises Limited and its subsidiaries

Headline earnings	Determined in terms of the circular issued by the South African Institute of Chartered Accountants by excluding from reported earnings specific separately identifiable re-measurements net of related tax and non-controlling interests
Headline earnings per share (“HEPS”)	Headline earnings divided by the weighted average number of ordinary shares in issue during the year (net of treasury shares)
HR	Human resources
IAS	International Accounting Standards
Integrated Annual Report	A report as required by King IV, the BSE and JSE Listings Requirements and in terms of the International Integrated Reporting Framework guidelines
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
IT	Information technology
JSE	JSE Limited/Johannesburg Stock Exchange
Kamoso	Kamoso Africa (Pty) Limited
King IV or King IV Report	King IV Report on Corporate Governance for South Africa, 2016
King V	King V Report on Corporate Governance for South Africa, 2025
KPM	Key performance measure
LSM	Living standards measure
LTI	Long-term incentive
MBA	Master of Business Administration
NED	Non-executive Director
RONA	Return on net assets
ROIC	Return on invested capital
SA Companies Act	The South African Companies Act, 2008 (Act 71 of 2008)
SENS	Stock Exchange News Service of the JSE
SDGs	Sustainable Development Goals
SKUs	Stock-keeping units
Shares in issue (number)	The number of ordinary shares in issue as listed by the BSE and JSE
SMME	Small, Medium, and Micro Enterprise
STI	Short-term incentive
The Board	The Board of Directors of Choppies Enterprises Limited
The year	The year ended 30 June 2026
WACC	Weighted average cost of capital
Weighted average number of shares (number)	The number of shares in issue at the beginning of a period, adjusted for shares cancelled, bought back, or issued during the period, multiplied by a time-weighting factor
X-News	A real-time disclosure platform that shares official listed company data



CHOPPIES

Great value for your money!

Physical and postal address

Choppies Enterprises Limited
Plot 169, Gaborone International
Commerce Park, Gaborone
Private Bag 00278, Gaborone, Botswana
Tel: +267 318 6657/58
Fax: +267 318 6656

Registered office

BP Consulting Services (Pty) Limited
Plot 28892 (portion of Plot 50370)
Twin Towers, West Wing, First Floor
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www.choppiesgroup.com