CHOPPIES ENTERPRISES LIMITED
Registration number BW00001142508
ISIN:BW0000001072
BSE SHARE CODE: CHOP-EQO
JSE SHARE CODE: CHP
Tax Reference Number: C08710401018
("Choppies" or "Company" or "Group")

CHOPPIES
Great value for your money!

UNAUDITED GROUP FINANCIAL INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

The board of directors of Choppies ("**Board**") announces the results of the Group for the 6 months ended 31 December 2025 ("**HY2026**").

Continuing operations unaudited	**HY2026 Pula Millions**	**HY2025 Pula Millions**	Change
Revenue	**5,125**	**4,717**	8.6%
Retail sales	**5,091**	**4,677**	8.9%
Gross Profit	**1,007**	**965**	4.4%
Operating Profit	**152**	**190**	(20.0%)
Operating margin	**2.99%**	**4.06%**	(108 bps)
Adjusted Operating Profit	**145**	**204**	(28.9%)
Profit for the period	**77**	**115**	(33.0%)
Basic earnings per share	**4.2 Thebe**	**6.1 Thebe**	(31.1%)
Headline earnings per share	**3.1 Thebe**	**7.3 Thebe**	(57.5%)
Net cash flows generated from operating activities	**324**	**304**	20
Free cash flow	**118**	**53**	65
Cash and cash equivalents at end of the period	**49**	**72**	(23)
Total operations including continuing and discontinued operations			
Basic earnings per share	**4.2 Thebe**	**4.5 Thebe**	(7%)
Headline earnings per share	**3.1 Thebe**	**6.2 Thebe**	(50%)

Financial highlights

Revenue momentum remains strong; profitability temporarily impacted by macroeconomics. The demand contraction is cyclical, but food retail fundamentals remain intact. The group is building scale now to capture operating leverage during recovery.

Group profitability was impacted by:

- Reduced consumer liquidity driven by the Botswana diamond-market slump
- Devaluation of the Pula to combat economic strain from a severe downturn in the global diamond market
- Constrained spending due to Botswana Government's austerity measures
- 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 8.9% to BWP 5 091 million (2024: BWP 4 677 million), driven by 25 new stores, inflation, and volume growth. Choppies segments achieved volume growth of 3.8% and price growth of 7.1%, while sales for like-for-like stores increased by 2.9%.

The gross profit margin declined by 0.8% to 19.8% (2024:20.6%), due to lower margins in all segments except Liquorama. The Liquorama gross profit margin improved from 12.3% to 13.6% compared to the prior year.

In Pula terms, gross profit increased by 4.4% to BWP 1 007 million (2024: BWP 965 million) despite the competitive and challenging economic environment.

Total expenses increased by 9.1% due to new stores, inflation, the derecognition of payables and loss on the sale of businesses in the previous year. The loss of BWP 14 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 we shut down in the 2019 financial year. Excluding the derecognition and loss on sale of businesses, total expenses increased by 13.5%.

Operating profit (EBIT) decreased by 20.0% from BWP 190 million to BWP 152 million. Adjusted EBIT decreased by 28.9% from BWP 204 million to BWP 145 million. The EBIT decline is due to costs growing at a much faster rate than Pula gross profit.

Net finance costs grew 1.9% due to lower debt offset by higher interest on leases as a result of new stores.
The effective tax rate of 22.2% (2024: 17.3%) is slightly higher than the standard rate primarily due to losses in Namibia for which we have not yet raised any deferred tax, and non-taxable gain on recognition of payables. Last year's rate was lower than the standard rate due to deferred tax raised on carried forward tax losses in the Zambia segment.

The Board has declared an interim dividend (number 11) of 1.0 thebe per ordinary share (2024: 1.6 thebe), payable on 29 April 2026. The dividend reflects a 25% pay-out ratio, aligned with the Group's dividend cover policy of three times earnings (excluding non-cash gain on derecognition of payables of BWP 20 million). The reduced Thebe dividend reflects lower profitability due to regional economic pressures.

A separate announcement relating to the salient dates and the tax treatment of the ordinary dividend will be released on the BSE's X-News and on the JSE's SENS.

Short-form announcement

This short-form announcement is the responsibility of the Board. It is only a summary of the information contained in the Group's condensed HY2026 Interim financial statements ("Full Announcement"), which is available on the BSE's X-News and on the JSE's SENS at : https://senspdf.jse.co.za/documents/2026/jse/isse/chp/hy2026.pdf
and on the Group's website: https://choppiesgroup.com/investor-relations/.

Any investment decision should include consideration of the information in the Full Announcement.

The Company has a primary listing on the BSE and a secondary listing on the JSE.

25 March 2026

BSE Sponsoring Broker
Motswedi Securities (Pty) Ltd

JSE Sponsor
PSG Capital